

CENTRAL GOVERNMENT

FINANCE ACCOUNTS

1940-41

AND THE

AUDIT REPORT

1942



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**FINANCE ACCOUNTS OF THE CENTRAL GOVERNMENT FOR THE YEAR 1940-41
AND THE REPORT OF THE AUDITOR GENERAL OF INDIA.**

Certificate of the Auditor General of India.

This compilation containing the Finance Accounts of the Central Government for the year 1940-41 and the report of the Auditor General of India presents the accounts of the receipts and outgoings of the Central Government for the year, together with a report on the financial results disclosed by the different accounts and other data coming under examination, that is to say, both the revenue and capital accounts, the accounts of the Public debt and the liabilities and assets of the Central Government as deduced from the balances recorded in its books and other information. It supplements the reports of the Auditor General of India on the accounts of the audited expenditure of the Government for the year, separately presented in the form of Appropriation Accounts for each Grant. In compliance with Section 169 of the Government of India Act, 1935, the Auditor General's report on the accounts accompanied by the accounts themselves is submitted by the Auditor General to the Governor General to be laid before the Legislature.

The accounts for 1940-41 which as Auditor General I am required to audit, both the Finance Accounts and the Appropriation Accounts, have been examined under my direction in accordance with the provisions of the Government of India (Audit and Accounts) Order, 1936. Likewise, as prescribed by Section 170 of the Government of India Act, 1935, the accounts of transactions of the Government in the United Kingdom have been audited by the Auditor of Indian Home Accounts under my general superintendence. It is to be noted that the Auditor General's responsibility for the audit of the accounts of the Government does not extend in full to the audit of the accounts of revenue, but I am satisfied on the best information available that the accounts of revenue included in the Finance Accounts herewith presented give a correct statement of the sums brought to account. Subject to these observations and also to those contained in the detailed reports which follow and in the reports on the Appropriation Accounts, the accounts now presented are correct statements of the receipts and outgoings of the Central Government for the year 1940-41.

A. C. BADENOCH,
Auditor General of India.

NEW DELHI ;
The 30th March 1942.

A.—GENERAL FINANCE ACCOUNTS.

I.—REPORT.

INTRODUCTORY.

1. *Main Divisions of Accounts.*—There are four main divisions of Government accounts :—

- (1) Revenue.
- (2) Capital.
- (3) Debt.
- (4) Remittance.

The first division deals with proceeds of taxation and other receipts classed as revenue and the expenditure therefrom, the net result of which represents the revenue surplus or deficit for the year. The second division deals with expenditure met usually from borrowed funds with the object either of increasing concrete assets of a material character, or of reducing recurring liabilities, such as those for future pensions by payment of the capitalised value. It also includes receipts of a capital nature which can properly be applied as a set-off to capital expenditure. The third division comprises receipts and payments in respect of which Government incurs a liability to repay the money received or has a claim to recover the amounts paid, together with repayments of the former and recoveries of the latter. The fourth and last division embraces all merely adjusting heads : *e.g.*, cash remittances from one treasury to another, transfers between different accounting circles and remittances between India and England. Credits and debits taken to the adjusting heads in the first instance are cleared eventually by adjustment under final heads.

The transactions included in these accounts represent mainly the actual cash receipts and disbursements during the financial year April to March, as distinguished from amounts due to or by Government during the same period. The cash basis system is, however, not entirely suitable for recording the transactions and presenting the true state of affairs of Government Commercial undertakings run on commercial principles. The detailed accounts of this class of undertakings are, therefore, maintained outside the regular accounts in proper commercial form and these accounts are subjected to a suitable check by the Indian Audit Department.

2. *Sections and Heads of Accounts.*—Within each of the four divisions mentioned above, the transactions are grouped into Sections which are further subdivided into Major Heads of Accounts. The Sections are distinguished by letters of the alphabet, a single letter denoting the Revenue portion and a double letter denoting the Capital portion of a particular category of transactions. The Major Heads in the Revenue and Capital divisions are numbered serially, Roman numerals being employed on the receipt side and Arabic on the disbursement side. No numbering is adopted for Debt and Remittance heads, though these are also arranged in Sections.

The Major Heads are sub-divided into Minor Heads and the Minor Heads into Sub-heads and Detailed heads. Under each of the Major and Minor Heads, the expenditure is shown distributed between non-voted and voted. The Major and Minor Heads and the Sub-heads prescribed for the classification of expenditure in the general accounts are not necessarily identical with the Grants, Sub-heads and other units of allotments which are selected by the Finance Department for the Demands for Grants and the Appropriation Accounts; but in general, a certain degree of correlation is maintained between the Demands for Grants and the Appropriation Accounts on the one hand and the Finance Accounts on the other.

3. *Balances and Reserves.*—The accounts work from balance to balance, these balances working up to the general cash balances, which are kept partly in treasuries in India and partly in the Bank of England, London, while the rest is deposited with the Reserve Bank of India. Apart from these cash balances are the Cash Balance Investment Account and other special Reserves invested outside the general cash balance of Government.

(Throughout this part of the report the amounts shown represent thousands of rupees unless the contrary is specifically indicated.)

SUMMARY OF THE TRANSACTIONS OF THE YEAR UNDER REPORT (1940-41).

4. A summary of the detailed transactions during the year under report as compared with the Budget for the year is given in the subjoined statement.

Receipts.		Budget Estimates 1940-41.	Actuals 1940-41.	More (+) Less (-).	Disbursements.		Budget Estimates 1940-41.	Actuals 1940-41.	More (+) Less (-).
1		2	3	4	5		6	7	8
I.—REVENUE.									
REVENUE.		EXPENDITURE.							
Principal Heads of Revenue—		Direct Demands on the Revenue—							
Customs	..	39,16,00	37,29,68	—1,86,32	Customs	..	82,89	82,53	—36
Central Excise Duties	..	10,14,00	9,48,61	—65,39	Central Excise Duties	..	55,80	30,88	—24,92
Corporation Tax	..	5,30,00	4,13,84	—1,16,16	Corporation Tax	..	9,47	12,62	+3,15
Taxes on Income other than Corporation Tax	..	14,20,00	17,63,35	+3,43,35	Taxes on Income other than Corporation Tax	..	70,58	66,41	—4,17
Salt	..	8,20,00	7,67,27	—52,73	Salt	..	99,41	1,01,41	+2,00
Opium	..	47,37	47,85	+48	Opium	..	25,07	23,38	—1,69
Land Revenue	..	16,44	18,11	+1,67	Land Revenue	..	5,94	5,55	—39
Provincial Excise	..	24,97	26,73	+1,76	Provincial Excise	..	6,28	5,44	—84
Stamp	..	37,37	39,32	+1,95	Stamps	..	24,78	26,64	+1,86
Forest	..	17,81	23,14	+5,33	Forest	..	24,36	23,78	—58
Registration	..	86	93	+7	Registration	..	10	10	..
Receipts under Motor Vehicles Acts	..	3,12	4,23	+1,11	Charges on account of Motor Vehicles Acts	..	2,46	2,77	+31
Other Taxes and Duties	..	70	1,86	+1,16	Other Taxes and Duties	..	2	3	+1
Total Principal Heads	..	78,48,64	77,84,92	—63,72	Total Direct Demands	..	4,07,16	3,81,54	—25,62

FINANCE ACCOUNTS. CENTRAL GOVERNMENT.

Railways—Net Revenue	37,82,07	47,75,53	+9,93,46	Railways—Interest and Miscellaneous Charges	32,51,30	35,59,16	+3,07,86
Irrigation—Net Receipts	74	1,55	+81	Irrigation	10,45	8,82	—1,63
Posts and Telegraphs—Net Receipts	1,06,72	1,93,76	+87,04	Posts and Telegraphs	69,63	68,95	—68
Debt Services	61,38	78,77	+17,39	Debt Services	12,11,13	12,78,43	+67,30
Civil Administration	1,05,39	1,13,40	+8,01	Civil Administration	11,80,56	12,43,49	+62,93
Currency and Mint	1,24,39	1,94,60	+70,21	Currency and Mint	61,63	98,87	+37,24
Civil Works and Miscellaneous Public Improvements	32,81	35,84	+3,03	Civil Works and Miscellaneous Public Improvements	3,22,77	2,98,73	—24,04
Miscellaneous	1,20,06	1,65,23	+45,17	Miscellaneous	3,66,28	3,09,28	—57,00
Defence Receipts	44,77*	1,19,23	+74,46	Defence Services	53,96,95*	74,80,64	+20,83,69
Extraordinary Items	4,02,89	10,49,85	+6,46,96	Extraordinary Items	40,91	1,22,26	+81,35
				Contributions and Miscellaneous Adjustments between Central and Provincial Governments	3,05,23	3,04,77	—46
				Capital Expenditure within the Revenue Account. (Details by Major Heads are given in Account No. 2)	95	10,54	+9,59
Total Revenue Receipts	1,26,29,86*	1,45,12,08 (A)	+18,82,82	Total Expenditure on Revenue Account	1,26,24,95*	1,51,65,48 (A)	+25,40,53

* These figures do not agree with those given in the Budget Statements as the figures of Defence Receipts and Expenditure were recast in a different form.

(A) Revenue deficit during the year 6,52,80.

FINANCE ACCOUNTS. CENTRAL GOVERNMENT.

Receipts.	Budget Estimates 1940-41.	Actuals 1940-41.	More (+) Less (-).	Disbursements.	Budget Estimates 1940-41.	Actuals 1940-41.	More (+) Less (-).
1	2	3	4	5	6	7	8
	II.—CAPITAL.						
	Capital Expenditure outside the Revenue Account. (Details by Major Heads are given in Account No. 2.)						
				Railways ..	4,25,00	2,31,32	-1,93,68
				Posts and Telegraphs ..	9,15	4,78,90	+4,69,75
				Civil Administration—			
				Vizagapatam Port ..	10	4	-6
				Civil Works—Initial Expenditure on New Capital at Delhi ...	15,67	13,21	-2,46
				Miscellaneous—Payments of Commuted Value of Pensions ..	-12,34	-30,24	-17,90
				Total ..	4,37,58	6,93,23	+2,55,65
	III.—DEBT.						
				PUBLIC DEBT.			
				Debt raised in India—			
				Permanent Debt ..	19,50	19,54,24	+19,34,74
				Floating Debt ..	2,59,20,00	2,63,89,00	+4,69,00
				Debt raised in England,—			
				Permanent Debt ..	6,73,68	95,29,68	+88,56,00
Total	2,54,80,00	4,37,48,49	+1,82,68,49	Total	2,66,13,18	3,78,72,92	+1,12,59,74

Receipts.	Budget Estimates 1940-41. 2	Actuals 1940-41. 3	More (+) Less (-). 4	Disbursements.		Budget Estimates 1940-41. 6	Actuals 1940-41. 7	More (+) Less (-). 8
				5				
1								
III.—DEBT—concl'd.								
DEPOSITS AND ADVANCES.								
Appropriation for Reduction or Avoidance of Debt—				Appropriation for Reduction or Avoidance of Debt—				
Sinking Funds	95,04	95,04	..	Sinking Funds .. .. .	..	..	..	..
Other Appropriations	2,04,96	2,04,96	..					
Silver Redemption Reserve	20,00	43,55	+23,55	Silver Redemption Reserve .. .. .	..	20,00	43,54	+23,54
Defence Modernisation Fund	13,00,00	..	-13,00,00	Defence Modernisation Fund .. .. .	..	13,00,00	..	-13,00,00
Civil Aviation Fund	3,63	3,63	..	Civil Aviation Fund .. .. .	..	3,00	4,03	+1,03
Central Road Fund	1,73,00	1,64,04	-8,96	Central Road Fund .. .. .	..	2,00,00	1,86,56	-13,44
Sugar Excise Fund	11,15	9,94	-1,21	Sugar Excise Fund .. .. .	..	14,00	14,13	+13
Defence Reserve Fund	25,65	..	-25,65	Defence Reserve Fund .. .. .	..	36,05	..	-36,05
Other Depreciation Reserve Funds	1,25	1,53	+28	Other Depreciation Reserve Funds .. .. .	..	63	91	+28
Telephone Development Fund .. .. .	..	4,75,00	+4,75,00	Telephone Development Fund .. .. .	..	13,79	4,94,39	+4,80,60
Fund for Economic Development and Improvement of Rural Areas .. .. .	..	..	..	Fund for Economic Development and Improvement of Rural Areas .. .. .	..	31,00	23,12	-7,88
Fund for Development of Civil Aviation	25,00	25,00	..	Fund for Development of Civil Aviation .. .. .	..	22,53	14,42	-8,11
Fund for Development of Broad- casting .. .. .	..	..	..	Fund for Development of Broad- casting .. .. .	..	4,83	3,13	-1,70
Fund for Special Frontier Expen- diture including Development	14,99	15,02	+3	Fund for Special Frontier Expen- diture including Development .. .. .	..	3,23	2,18	-1,05
Revenue Reserve Fund .. .. .	..	..	..	Revenue Reserve Fund .. .. .	..	91,30	7,77,16	+6,85,86

Deposits of Local Funds	1,69,63	1,73,08	+3,45	Deposits of Local Funds	1,71,23	1,77,23	+6,00
Deposits of Branch Line Companies	1,35	1,32	—3	Deposits of Branch Line Companies	1,45	1,95	+50
Civil Deposits ..	36,01,96	39,25,11	+3,23,25	Civil Deposits ..	35,95,48	39,08,09	+3,12,61
Other Deposits ..	18,99,92	24,37,35	+5,37,73	Other Deposits ..	19,14,93	23,34,97	+4,20,04
Other Accounts	27,57	25,66	—1,91	Other Accounts	24,60	21,11	—3,49
Transactions connected with War, 1939	..	30,31	+30,31	Transactions connected with War, 1939	..	35	+35
Advances not bearing Interest	8,96,18	14,31,21	+5,35,03	Advances not bearing Interest	9,29,87	20,35,60	+11,05,73
Purchases and Sales of Silver	2,82,77	19,99,51	+17,16,74	Purchases and Sales of Silver	5,02,00	7,13,45	+2,11,45
Suspense	1,85,94,98	11,96,97	—1,73,98,01	Suspense	1,84,36,54	37,43,81	—1,46,92,73
Miscellaneous ..	1,91,47	2,78,75	+87,23	Miscellaneous ..	1,91,64	2,86,68	+95,04
Total	2,91,31,86	1,44,59,26	—1,46,72,60	Total	2,82,31,43	1,56,18,55	—1,26,12,88

LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT.

Recoveries of Loans and Advances	2,11,30	3,35,86	+1,24,56	Loans and Advances	70,88	1,54,66	+83,78
Remittances ..	1,68,29,35	4,16,34,12	+2,48,04,77	Remittances ..	1,68,25,95	4,30,44,35	+2,62,18,40

IV.—REMITTANCES.

V.—TRANSFER OF CASH BETWEEN ENGLAND AND INDIA.

Remittances through the Reserve Bank	15,09,58	75,62,55	+60,52,97	Remittances through the Reserve Bank	15,09,58	75,59,22	+60,49,64
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VI.—RESERVE BANK DEPOSITS—RAILWAYS.

Reserve Bank Deposits—Railways	25,54,10	..	—25,54,10	Reserve Bank Deposits—Railways	25,54,10	..	—25,54,10
Total Receipts	9,50,46,80	12,67,37,41	+3,16,90,61	Total Disbursements	9,50,58,89	12,69,31,70	+3,18,72,81
Opening Cash Balance	8,58,77	16,62,05	+8,03,28	Closing Cash Balance	8,46,68	14,67,76	+6,21,08
Grand Total	9,59,05,57	12,83,99,46	+3,24,93,89	Grand Total	9,59,05,57	12,83,99,46	+3,24,93,89

Revenue.

The revenue receipts of the year show a net improvement of Rs. 18,83 lakhs over the budget estimates. Under the heads where improvement occurred the gross figure of improvement exceeded Rs. 23,00 lakhs. Of this, Rs. 6,86 lakhs is represented by the additional amount available in the Revenue Reserve Fund and Rs. 9,93 lakhs by the increase in the net Revenue from Railways. Other important increases occurred under Taxes on Income other than Corporation Tax, Posts and Telegraphs, Currency and Mint, and Defence Receipts. The shortfall of about Rs. 4,21 lakhs, which was responsible for the reduction of the gross improvement figure to a net Rs. 18,83 lakhs occurred under Customs, Central Excise Duties, Corporation Tax and Salt.

Increases.

Taxes on Income other than Corporation Tax.	3,43,35	Increase mainly due to higher realisations under Income-tax and Super-tax (2,94,50) largely on account of better trade conditions and Excess Profits Tax (46,67) and the imposition of a Central Surcharge (1,18,18) under the Supplementary Finance Bill introduced in November, 1940. This was offset by increased payment to Provinces on account of their share of the net proceeds of the Tax (1,16,00).
Railways	9,93,49	Mainly due to increased traffic receipts (Rs. 9½ crores) and lower working expenses (Rs. 1 crore) partly counterbalanced by larger payments to Railway Companies, etc., as their share of surplus profit and net earnings (Rs. ½ crore).
Posts and Telegraphs ..	87,04	Mainly due to increase in traffic, particularly Telegraph and Telephone traffic, on account of the War, increase in some of the postal rates and the imposition of surcharges on inland telegrams and trunk telephone rates. Recoveries of establishment and other charges from other Governments, etc., for works done for them were also responsible for part of the increase.
Currency and Mint	70,21	Mainly due to larger profit from the circulation of bronze, copper and nickel small coins partly counterbalanced by decrease in the Government's share of surplus profit of the Reserve Bank.
Defence Receipts	74,46	Increase mainly due to contribution from the Viceroy's War Purposes Fund and other miscellaneous receipts for which no provision was made in the budget.
Extraordinary Items ..	6,46,96	The increase is mainly due to the actual amount (7,77,16) available for transfer from the Revenue Reserve Fund being more than anticipated when the budget was framed (91,30). There was also an increase under Receipts connected with the War, 1939 (28,10) mainly from premia under the War Risk (Goods) Insurance Scheme. There was, however, a fall under the head 'Extraordinary Receipts' (67,00) as the recoveries on account of Burma's share of pensionary liability were adjusted as deduction from expenditure.

Decreases.

Customs	1,86,32	Composed of 79,34 under Sea Customs—Imports and 93,75 under Sea Customs—Exports, 21,46 under Land Customs, and an increase of 72,68 under Refunds. This was offset by increase of 5,03 under Miscellaneous and lower payment (75,88) of share of net proceeds of export duties assigned to Provinces. Noteworthy decreases under import duties occurred under sugar, motor spirit, cotton fabrics, kerosene oil, motor cars, etc., and machinery and under export duties on jute ; while noticeable increases occurred under import duties on artificial silk yarn and thread, tobacco, liquors, iron and steel and artificial silk fabrics.
Central Excise Duties ..	65,39	The drop in revenue is mainly due to smaller receipts under excise duty on sugar (1,32,03) and increase under refunds (2,92) partly counterbalanced by increased receipts under kerosene (11,42), motor spirits (37,78), matches (9,25), steel ingots (5,29) and coal and coke (5,82).
Corporation Tax	1,16,16	The decrease occurred under excess profits tax (1,91,83) owing to slow progress of assessment work. This was offset by higher realisation under ordinary collections (27,50), lower refunds (28,24) and imposition of a Central surcharge under the Supplementary Finance Bill of November, 1940 (19,93).
Salt	52,73	Accounted for by less realisations in Northern India mainly under sales of Government salt (11,73), excise duty on salt manufactured locally (73,16), despatch receipts (1,69) and greater refunds (7,81). This was partially offset by increases in Madras (20,89) and Bombay (21,04) arising from accelerated removal of duty paid salt in anticipation of an increase in duty.

Expenditure.

The total expenditure within the Revenue account exceeded the budget estimate by about Rs. 25,41 lakhs. Of this, about Rs. 20,84 lakhs occurred under Defence Services and about Rs. 3,08 lakhs under Railways. The total Capital Expenditure outside the Revenue account also exceeded the budget provision by about Rs. 2,56 lakhs. The more important variations are explained below :—

Increases.

Railways—Interest and Miscellaneous charges.	3,07,86	Arises mainly from larger appropriation to Railway Reserve Fund (Rs. 3,32 lakhs); partly counterbalanced by lower interest paid on capital (Rs. 14 lakhs). The reduction on the latter item resulted mainly from a reduction in the rate of interest and a decrease in capital outlay.
Debt Services	67,30	Mainly due to increase in Rupee debt in consequence of the repatriation of Sterling debt and issue of 3 per cent. Defence Bonds (1,70,11), more Ways and Means advances (1,08), larger amounts transferred to Railway Reserve Fund (5,42) and smaller recoveries from Commercial Departments including Railways (15,37) owing to lower rate of interest. This was partly counterbalanced by reduction in interest rate on Treasury Bills (52,08), less interest payments on Sterling debt (15,39) and Savings Bank Deposits (24,20), smaller payment of bonus on Post Office Cash Certificates (21,12) and lower payments to Post Office for Savings Bank and Cash Certificate work (15,10).

Civil Administration	..	62,93	Composed of increases and small decreases under a number of heads. The principal increases were under General Administration (9,01) resulting from considerable expansion of the Departments of the Government of India mainly on account of the War, Police (7,64) in virtue of payments to Provinces for War-time additional Police and contribution towards the cost of the Civic Guards, Tribal Areas (13,26) due to expansion of Frontier Corps of Scouts and Militia, enlistment of new platoons of Frontier Constabulary in the North-West Frontier Province and Levy Corps in Baluchistan, and undertaking of urgent road projects in Baluchistan; Public Health (15,36) from cost of replenishing the Central Government's reserve stock of quinine; Aviation (19,61) mainly due to expenditure on the scheme for training pilots and skilled mechanics for the Air Force Reserve.
Currency and Mint	..	37,24	Due to increased outturn of note forms and purchase of paper and stores for the Currency Note Press including the cost of one rupee note forms, and additional expenditure on increased coinage outturn.
Defence Services	..	20,83,60	Includes 56,58 due to increase in prices, pay levels, etc., 20,04,30 increased expenditure on War measures chargeable to Indian Revenues and 22,81 increase in non-effective charges.
Extraordinary Items	..	81,35	Mainly due to considerable expansion of the Department of Supply and its reorganisation, purchase of Reserve Stock of Wattlebark, and expenditure on schemes and measures, such as War Risk (Goods) Insurance Scheme, the training of skilled Artisans, the opening of parole and detention camps, the setting up of Film Advisory Board and National Service Labour Tribunals and the establishment of the Eastern Group Conference etc., instituted to cope with War situation.

Decreases.

Central Excise Duties	..	21,92	Mainly due to lower payments to Indian States from the Match Excise pool under the revised procedure for the distribution of the net proceeds of the excise duty on matches. The revised procedure takes effect from the year 1940-41, and since payments are to be made in arrears, the preliminary distribution in respect of 1940-41 did not take place in that year.
Miscellaneous	..	57,00	Mainly due to change of accounting procedure in regard to allocation of the recovery of pensionary charges from the Government of Burma. Such recovery is now taken in reduction of expenditure instead of as a revenue receipt (67,74). There was also lower expenditure on superannuation and retired allowances and miscellaneous pensionary payments in England (8,23). This was partially counterbalanced by larger expenditure (18,16) on Famine Relief works, etc., in Ajmer-Merwara necessitated by the failure of winter crops.

Capital Expenditure outside the Revenue Account.—*Increase 2,55,65.*

The excess occurred under Posts and Telegraphs mainly on account of payment to the Government Telephones Board, Ltd., for purchasing the shares of the Telephone Companies at Calcutta, Bombay and Madras not originally anticipated. Reduced capital expenditure under Railways and under Initial Expenditure on New Capital at Delhi and larger deductions under commutation of pensions constituted together a partial counterbalancing factor.

Debt, Deposits, etc., Heads.*(Increases +, Decreases —.)***Public Debt—****Permanent Debt—Rupee Debt—**

Receipts	+1,39,79,74
Disbursements	+19,34,74
Net Receipts	+1,20,45,00

The net increase is due to the flotation of new Defence Loans during the year and creation of rupee securities in connection with the scheme of repatriation of sterling debt counterbalanced by discharges and conversion of the 5% Loan 1940-43. See also paragraph 10 for details of loans floated and repaid during the year.

Floating Debt—

Receipts	+42,88,75
Disbursements	+4,69,00
Net Receipts	+38,19,75

Larger net receipts under Treasury bills, (22,19,75) and under Ways and Means advances from the Reserve Bank (16,00,00).

Sterling Debt—

Receipts	Nil
Disbursements	+88,56,00
Net Disbursements	+88,56,00

Mainly due to cancellation of sterling securities in connection with the scheme of repatriation of sterling debt. See paragraph 10.

Unfunded Debt—**Post Office Savings Bank Deposits—**

Receipts	—18,52,41
Disbursements	+3,45,70
Net Disbursements	+21,98,11

The deterioration is due to War. The transactions under Post Office certificates include a net receipt of 2,29,57 on account of Post Office Ten year Defence Savings Certificates issued during the year.

Post office certificates—

Receipts	—4,69,83
Disbursements	+1,54,63
Net Disbursements	+6,24,46

State Provident Funds—

Receipts	+1,08,80
Disbursements	+1,24,15
Net Disbursements	+15,35

The transactions include a net receipt of 25,64 on account of Defence Savings Provident Fund and Defence Savings Provident Fund (Railway) which were started during the year.

Other Accounts—

Receipts	—2,87
Disbursements	+10,68
Net Disbursements	+13,55

Increase in disbursements is mainly due to more Postal Life Insurance payments than anticipated (Rs. 13 lakhs).

Debt, Deposits, etc., Heads—*contd.*

Railway Depreciation and Reserve Funds—

Receipts	+3,30,98
Disbursements	+1,04,11
Net Receipts	+2,26,87

Due mainly to more appropriation to the Railway Reserve Fund from Revenue than anticipated (Rs. 3½ crores) partly offset by a debit to the Reserve Fund on account of a portion of the original cost of certain lines dismantled during the year (Rs. 90 lakhs) for which no provision was made in the budget.

Defence Modernisation Fund—

Receipts	—13,00,00
Disbursements	—13,00,00
Net	Nil

Defence Reserve Fund—

Receipts	—25,65
Disbursements	—36,05
Net Disbursements	—10,40

Operations on these funds have been suspended for the period of the War.

Telephone Development Fund—

Receipts	+4,75,00
Disbursements	+4,80,60
Net Disbursements	+5,60

The appropriation to the fund and payment therefrom of Rs. 4,75 lakhs for the purchase of telephones of the Government Telephones Board, and the account for the increase under both receipts and disbursements.

Transactions connected with War, 1939—

Receipts	+30,31
Disbursements	+35
Net Receipts	+29,96

Represents transactions of the War Risk (Goods) Insurance Fund established under the War Risk (Goods) Insurance Ordinance, 1939.

Purchases and Sales of Silver—

Receipts	+17,16,74
Disbursements	+2,11,45
Net Receipts	+15,05,29

Mainly due to heavier sales of silver and issue of quaternary coinage, receipts from the Reserve Bank against silver rupees, and net profit on the circulation of quaternary coins, and to this head partly offset by the value of standard silver rupees transferred to the Reserve Bank silver stock in exchange of quaternary rupees.

Loans and Advances by the Central Government—

Receipts	+1,24,56
Disbursements	+83,78
Net Receipts	+40,78

The increase under disbursements is mainly due to the grant of advances during the year to Provincial Governments for the rehabilitation of sugar industry (1,03,41). Repayments of the year against these advances were to the extent of 20,35. Larger receipts under heads "Advances to Provincial Governments" and "Loans to Indian States" further contributed to the variation under receipts.

Debt, Deposits, etc., Heads—*concl'd.*

Remittances—

Receipts	+2,48,04,77
Disbursements	+2,62,18,40
Net Disbursements	+14,13,63

Mainly due to the expansion of transactions under Money Orders, Exchange account between England and India, Exchange Account with Defence Services and other Departmental accounts.

Transfer of Cash between England and India (Remittances through Reserve Bank)—

Receipts	+60,52,97
Disbursements	+60,49,64
Net Receipts	+3,33

Represents heavier remittances in connection with the scheme of repatriation of sterling debt.

Reserve Bank Deposits—Railways—

Receipts	—25,54,10
Disbursements	—25,54,10
Net	Nil.

The head was opened consequent on the *pro forma* separation of the Railway accounts with effect from 1st April, 1939 to record the transactions of Railways at offices and branches of the Imperial and the Reserve Banks and in the Treasuries. This is a mere adjusting head as the net result of transactions is adjusted against the head "V.—Cash Balance".

REVENUE POSITION OF THE GOVERNMENT.

GENERAL REMARKS.

5. The budget estimates for 1940-41 were framed at a time when the War had been in progress for barely six months and no one could foresee its future course, or the tremendous events culminating in the collapse of France, which took the world by surprise soon after. The highly conjectural nature of many of the assumptions underlying the budget estimates and the precarious nature of revenue under War conditions were, however, realised from the very beginning. A review of the financial position early in November, 1940 disclosed a prospective deficit of roughly Rs. 13 crores instead of a surplus of about Rs. 5 lakhs anticipated in the budget. On the revenue side, there was a marked decline under Customs receipts resulting from the cessation of trade with many of the European countries, dislocation of shipping, and the restrictions imposed on the import of non-essential goods from outside the sterling area. But it was in the field of defence expenditure that the budget was most seriously disturbed. The increase in such expenditure over the pre-war level was estimated at Rs. 8,34 lakhs. Owing to the gradual extension of the War zone it was decided to expand all the three branches of the Defence Services—Army, Air Force and Navy—considerably and various measures were undertaken to keep India in a state of preparedness against any emergency. The effect of this intensification of War effort was to impose a heavy additional load on the Defence budget. Two measures of fresh taxation, *viz.*, the imposition of a 25 per cent. surcharge for Central purposes on all taxes on income including Super-tax and Corporation Tax, increase in some of the postal rates and surcharges on inland telegram and trunk telephone rates, designed together to bring in an additional revenue of Rs. 6 crores in a full year, were introduced with the object of making good a part of the anticipated deficit. With the help mainly of the proceeds from

the new taxation and larger receipts than anticipated under Taxes on Income other than Corporation Tax and from Railways under the Railway convention, the actual deficit was narrowed down to Rs. 6,53 lakhs:

Compared with the original budget estimates, the revenue receipts recorded a net improvement of Rs. 18,83 lakhs of which Rs. 6,86 lakhs represents the amount of increase in the estimated surplus of 1939-40, transferred to Revenue account in 1940-41 to help out the finances of that year. The other main increases were Rs. 9,93 lakhs under Railways—net revenue, Rs. 3,43 lakhs under Taxes on Income other than Corporation tax (including Rs. 1,18 lakhs being the additional receipts attributable to the imposition of a Central surcharge under the Supplementary Finance Bill passed in November, 1940), Rs. 87 lakhs under Posts and Telegraphs (including the additional revenue due to increases in postal rates and telegraph and telephone surcharges), Rs. 70 lakhs under Currency and Mint mainly from larger circulation of small coins, and Rs. 74 lakhs under Defence Receipts. These increases were partly offset by decreases of Rs. 1,86 lakhs under Customs, Rs. 65 lakhs under Central Excise duties, Rs. 1,16 lakhs under Corporation Tax, and Rs. 53 lakhs under Salt.

On the expenditure side, out of a net increase of Rs. 25,41 lakhs, the largest increase overshadowing all others, Rs. 20,84 lakhs, occurs under Defence Services, and represents the additional expenditure on various activities connected with the general expansion of the Army in India, the Royal Indian Navy and the Indian Air Force, including the cost of creation of a reserve of trained pilots and airmen and other measures constituting that portion of India's total War effort, which under the settlement with His Majesty's Government, is chargeable to Indian Revenues. The principal heads responsible for the balance of the increase are Railways—Interest and Miscellaneous charges (Rs. 3,08 lakhs) due mainly to larger appropriation to Railway Reserve Fund, Debt Services (Rs. 67 lakhs) due chiefly to payment of accrued interest under the scheme of repatriation of sterling debt and increase in rupee debt, Civil Administration (Rs. 63 lakhs), Currency and Mint (Rs. 37 lakhs) and Extraordinary Items (Rs. 81 lakhs). Part of the excess under Civil Administration and Extraordinary Items is attributable directly or indirectly to the War. The first item includes expenditure on the expansion of Frontier Constabulary in the Tribal areas, and on the scheme of training pilots and skilled mechanics, and also payments and contributions to Provinces on account of extra War-time Police and the cost of Civic Guards. Similarly, the head Extraordinary Items includes expenditure on various organisations which Government had to set up to cope with the new problems created by the War, such as the Department of Supply and its branches, the Film Advisory Board, the National Service Labour Tribunals, and the establishment of the Eastern Group Conference and expenditure on certain schemes undertaken in connection with the War, such as the training of War-Technicians, War Risks (Goods) Insurance Scheme, the opening of Parole and Detention Camps, etc.

CAPITAL OUTLAY OUTSIDE THE REVENUE ACCOUNT.

CAPITAL OUTLAY DURING THE YEAR.

6. The following table shows the Capital expenditure outside the Revenue Account during the year 1940-41 :—

Nature of expenditure.	Amount of Expenditure.		
(1) 67-A.—Construction of State Railways—Commercial	2,34,52
(2) 67-B.—Construction of State Railways—Strategic	—3,20
(3) 69.—Capital outlay on Posts and Telegraphs	4,78,90
(4) 73.—Capital outlay on Vizagapatam Port	4
(5) 78.—Initial expenditure on New Capital at Delhi	13,21
(6) 83.—Payments of commuted value of pensions	—30,24
Total ..			6,93,23

The expenditure of Rs. 2,31 lakhs under items (1) and (2) above is the net figure after allowing for credits to capital on account of assets retired or abandoned or lines dismantled by transfer of the original cost from capital to Depreciation Reserve Fund and Railway Reserve Fund.

The progressive Capital expenditure outside the Revenue Account of the Central Government as recorded under the various major heads up to the end of the year 1940-41 has been shown in statement No. 6 of Part A-II and amounts to Rs. 7,89 crores.

GENERAL STATEMENT OF FINANCIAL RESULTS OF COMMERCIAL DEPARTMENTS.

(i) Railways.

7. Indian State-owned Railways earned a surplus of Rs. 18.46 crores in the year 1940-41, this being the fifth consecutive year in which there has been a surplus after six years of deficits. The surplus in 1940-41 was the highest attained since the separation of Railway from General Finances in 1924-25. Commencing from that year, railways produced surpluses to the end of 1929-30. In the six subsequent years ending with 1935-36, there were deficits in working which were met partly by utilising the available balances in the Railway Reserve Fund and partly by borrowing from the Depreciation Reserve Fund.

During the first seven years of the separation (1924-25 to 1930-31), a total contribution of Rs. 41.65 crores was paid by Railways to General Revenues. Of this, Rs. 7.82 crores had to be met from the Railway Reserve Fund during the years 1929-30 and 1930-31. No contribution was paid in subsequent years to the end of 1936-37. The further contribution paid during the four years 1937-38 to 1940-41 amounted to Rs. 20.63 crores, thus making a total contribution of Rs. 62.28 crores. The payments made in the three years ending 31st March, 1940, represented the actual surpluses of these years and fell short of the full contribution due to General Revenues in those years. In 1940-41, a sum of Rs. 12.16 crores was paid by Railways

to General Revenues which was in excess of the contribution due for the year by Rs. 7.54 crores. Of this, Rs. 30 lakhs represented the unpaid portion of the contribution for 1939-40; the balance *viz.*, Rs. 7.24 crores constituted a payment towards the arrears of contribution due in previous years. The amount of contribution still due to General Revenues whether on account of postponement during the deficit years or short payment in other years of inadequate surpluses was Rs. 28.17 crores. In addition, a sum of Rs. 31.50 crores was borrowed from the Depreciation Reserve Fund to meet the deficits of the less prosperous years. Of this amount, Rs. 1.21 crores representing the surplus of 1936-37 was repaid to the Fund. Although it was originally decided that the Railway Revenues should not be liable, before the 1st April, 1942, or before the fixation under Section 187 (1) of the Government of India Act, 1935, of the sum therein referred to, whichever is earlier, to repay the balance outstanding on 1st April, 1937, of the loan taken from the Depreciation Reserve Fund and the arrears of contribution to General Revenues to the end of 1938-39, the payment of Rs. 7.24 crores in 1940-41 referred to above, was made in view of the need for assistance to General Revenues in the present abnormal times.

The gross traffic receipts (excluding worked lines) for 1940-41 amounted to Rs. 111.94 crores which exceeded the budget expectations for the year by nearly Rs. 9 crores and the actual receipts of the previous year by about Rs. 14 crores. The increase in the receipts over the estimate occurred both under Coaching and Goods earnings. The enhancement of rates and fares from 1st March, 1940, and the greater movement of traffic due to the extraordinary conditions created by the War contributed mostly to the increase in earnings.

The revenue expenditure of the year (exclusive of worked lines) was Rs. 65.65 crores. This was less than the budget anticipation by about a crore but exceeded the corresponding actuals of the previous year by Rs. 0.8 crore. The decrease over the budget was due mainly to less expenditure in the Engineering, Carriage and Wagon and Electrical departments of Railways owing to postponement or curtailment of repairs on account of war conditions, less rise in prices of materials than anticipated and greater value realised for scrap.

The net revenue, inclusive of net miscellaneous receipts, was Rs. 47.14 crores; and after paying interest charges amounting to Rs. 28.68 crores, there remained a surplus of Rs. 18.46 crores which exceeded the budget anticipation by Rs. 10.17 crores and the corresponding actuals for the previous year by Rs. 14.13 crores. Of this surplus, Rs. 6.30 crores was transferred to the Railway Reserve Fund and the balance amounting to Rs. 12.16 crores paid to General Revenues: as stated in sub-paragraph 2 above, Rs. 4.62 crores represented the contribution due for the year, Rs. 0.30 crore the arrears for 1939-40 and Rs. 7.24 crores, part payment of the arrears of previous years.

The contribution made from Revenue to the Depreciation Reserve Fund was Rs. 12.64 crores and the amount withdrawn for expenditure from the Fund Rs. 7.19 crores. The expenditure was on account of Renewals and Replacements of assets, write-off of the part-cost of certain branch lines dismantled during the year and assets abandoned in previous years. The balance of the Depreciation Reserve Fund at the end of the year 1940-41 stood at Rs. 36.2 crores against Rs. 35.92 crores anticipated in the budget. This is exclusive of Rs. 30.29 crores taken from the Fund for meeting the deficits in the previous years and Rs. 40.38 lakhs lent to branch line companies or invested in shares and stock.

The appropriation to the Railway Reserve Fund was Rs. 6·3 crores against the budget anticipation of Rs. 2·98 crores. The result was due to the improvement in earnings during the year. A sum of Rs. 90 lakhs was met from the Fund towards writing off the cost of certain unremunerative lines dismantled during the year, the balance having been met from the Depreciation Reserve Fund. The balance of the Railway Reserve Fund at the end of the year under report stood at Rs. 5·89 crores, inclusive of Rs. 0·43 crore in investments.

Under Capital—New Construction, a budget provision of Rs. 7·25 lakhs was made for the completion of the (1) Sind Right Bank Feeders and (2) Khadro-Nawabshah Railways. The net expenditure was Rs. 0·79 lakh only. The saving was mainly due to economies effected in the execution of the former project and realisation of more credits for released and surplus stores owing to the rise in prices of the materials. Both the lines have been opened for traffic.

The Open Line Works programme provided for an expenditure of Rs. 13·6 crores comprising Rs. 5·76 crores for Track Renewals, Rs. 4·96 crores for Rolling Stock, Rs. 0·70 crore for Bridge Renewals including Hardinge Bridge Protection and Training Works, Rs. 2·6 crores for Other Structural Works and miscellaneous items, Rs. 0·43 crore for the purchase of the Hardwar-Dehra Railway, an increase of Rs. 0·60 crore under Stores and Manufacture Suspense and a reduction of Rs. 1·45 crores chiefly for credits on account of released materials. As in the past, it was anticipated that the Railways would not be able to work up to their programme and so a lump sum cut of Rs. 2·42 crores was made reducing the budget provision to Rs. 11·18 crores. Of this, it was estimated that Rs. 4·18 crores would be charged to Capital and Rs. 7 crores met from Depreciation Reserve Fund. The actual expenditure was Rs. 9·49 crores of which Rs. 2·30 crores were debited to Capital and Rs. 7·19 crores provided by the Depreciation Reserve Fund. Rolling Stock accounted for Rs. 2·39 crores, Track Renewals for Rs. 5·06 crores, Other Structural Works including bridge and miscellaneous works and collieries for Rs. 0·93 crore, the purchase price of the Hardwar-Dehra Railway for Rs. 0·43 crore, that of the Bengal-Dooars Railway for Rs. 1·71 crores, Stores and Manufacture Suspense for Rs. 1·06 crores while the credit for released materials was Rs. 2·09 crores. The saving of Rs. 1·88 crores (Rs. 4·18—Rs. 2·30 crores) in Capital outlay was due mainly to postponement, cancellation and modification of works (Rs. 2·5 crores) and the writing off of the cost of certain unremunerative branch lines which were dismantled and of assets abandoned in previous years (about Rs. 2 crores) set off by increases due to the purchase of the Bengal-Dooars Railway (Rs. 1·7 crores), net increase in Stores and Manufacture Suspense (Rs. 0·50 crore) and throw-forward works (Rs. 0·42 crore).

(ii) *Posts and Telegraphs Department.*

8. The Budget Estimates for the year 1940-41 were framed on the supposition that after the first rush of war traffic the revenue earned would be somewhat smaller than in the previous year. The estimates accordingly provided for a Gross Revenue of Rs. 12,35·51 lakhs and Working Expenses of Rs. 11,28·79 lakhs, or a net receipt of Rs. 1,06·72 lakhs; and, after payment to the General Revenues of interest charges on the progressive capital outlay amounting to Rs. 69·63 lakhs, this was expected to produce a net profit of Rs. 37·09 lakhs. During the course of the year the postal rates were increased and surcharges on telegrams and trunk telephone calls were

levied, both as measures of taxation. The increase in postal rates and the surcharges on telegrams and on trunk telephone calls were expected to bring in Rs. 83 lakhs and Rs. 17 lakhs respectively in a full year and took effect from the 1st December of the year under review. The actual revenue amounted to Rs. 13,28·25 lakhs ; and after the deduction therefrom of the working expenses (Rs. 11,34·50 lakhs) and of interest charges (Rs. 68·95 lakhs) a profit emerged of Rs. 1,24·80 lakhs. This amount exceeded that of the previous year by Rs. 35·21 lakhs and was the largest since 1925-26 when the accounts of the Department were placed on a commercial basis.

Compared with the Budget Estimates, the actuals recorded an increase of Rs. 92·74 lakhs under revenue, a decrease of Rs. 0·68 lakhs under interest charges, and an increase of Rs. 5·71 lakhs under working expenses. The increase in revenue was mainly due to an unprecedented increase in traffic on account of the war, introduction from the 1st December, 1940 of increased postal rates and surcharges on inland telegram and trunk telephone rates and increase in recoveries of establishment and other charges from other Government Departments, etc. for works done for them. Application of a lower rate of interest, smaller capital outlay and a larger rebate on accumulated profits of the Department account for the decrease in interest charges. The increase in expenditure was due to a variety of causes—the principal ones being larger expenditure under stamps, postcards, stationery, freight on issue of stores and smaller credits for services rendered to other Departments.

The contribution made from revenue during the year to the Posts and Telegraphs Renewals Reserve Fund was Rs. 23·05 lakhs and the amount debited to the Fund for expenditure on renewals and replacements as well as for sold and abandoned assets was Rs. 26·40 lakhs. The balance at credit of the Fund at the close of the year was Rs. 1,94·71 lakhs.

Compared with the actuals of the previous year, the revenue receipts and working expenses increased by Rs. 79·73 lakhs and Rs. 49·24 lakhs respectively, and there was a decrease of Rs. 4·72 lakhs under interest charges. The growth in revenue was mainly due to greater traffic and the introduction of higher rates as a measure of taxation. The increase in expenditure is found chiefly under Pay and Allowances (16,63), contingent expenditure of the Department, including cost of manufacturing stamps, printing and audit charges, maintenance and repairs of works and freight on issue of stores (about 29,50) and smaller credits for services rendered to other Departments, etc. (11,42). The growth of expenditure under these heads was partly counterbalanced by the cessation of expenditure on account of refund of losses on press telegrams (8,50).

As the increases under Postal, Telegraph and Telephone rates were measures of taxation, it was decided that the additional revenue on this account estimated at Rs. 100 lakhs in a full year should be regarded as an outright contribution to the General Revenues and eliminated every year from the accumulated surpluses of the Department for the purpose of calculating rebate of interest. The proportionate share for 1940-41 on account of increase in rates has been fixed at Rs. 33 lakhs, which is to be deducted from the total net profit of Rs. 125 lakhs and the balance of Rs. 92 lakhs is to be added to the surplus of Rs. 82 lakhs brought forward from the previous year's accounts. This brings the accumulated surplus to end of 1940-41 to Rs. 174 lakhs. In conformity with the decision of Government, rebate of interest will, however, be allowed on a maximum of Rs. 100 lakhs of this surplus.

(iii) *Irrigation.*

9. Irrigation works are classified as Productive or Unproductive, according as the net revenue (gross revenue less working expenses) derived from each work on the expiry of ten years from the date of closure of the construction estimate, covers or does not cover the prescribed annual interest charges on the capital invested. The productivity test involves some *pro forma* adjustments which do not appear on the face of the Government Accounts.

I.—Productive Works.

The Lloyd Barrage and Canals Construction (Khirtar Branch) irrigates lands in the Nasirabad Section of the Baluchistan territory. The Central Government bears the proportionate share of the capital cost and working expenses incurred by the Government of Sind on the Lloyd Barrage and Canals Construction Scheme. The share is determined on certain agreed formulæ. The irrigation revenues pertaining to the Nasirabad Section are retained as central revenues. The project was completed in 1933.

The following table summarises the financial results of the Nasirabad Section :—

						1939-40.	1940-41
(1) Capital outlay to end of the year	..	..	..	..	..	1,08,31	1,08,62
(2) Gross receipts	..	..	..	..	..	3,20	3,64
(3) Working expenses	..	..	..	..	..	1,87	1,76
(4) Net revenue excluding interest	..	..	..	..	..	1,33	1,88
(5) Interest on capital	..	..	..	..	..	4,98	4,78
(6) Net profit (+) or loss (—)	..	..	..	..	..	—3,65	—2,90
(7) Percentage of profit or loss to capital outlay	..	..	..	..	..	3.37	2.67
						(Loss)	(Loss)

The percentage of loss during 1940-41 is less than that in 1939-40 owing chiefly to increase in revenue and decrease in working expenses.

II.—Unproductive Works.

The financial results of the Unproductive Works in the Central Areas are summarised in the following table :—

(1)	Ajmer-Merwara.		Baluchistan.	
	1939-40.	1940-41.	1939-40.	1940-41.
(1) Capital outlay to end of the year	(2)	(3)	(4)	(5)
(2) Gross receipts	28,40	28,40	35,34	35,35
(3) Working expenses	51	62	65	60
(4) Net revenue excluding interest	1,18	85	58	85
(5) Interest on capital	—67	—23	7	—25
(6) Net profit (+) or loss (—)	95	95	1,34	1,31
(7) Percentage of profit or loss to capital outlay	—1,62	—1,18	—1,27	—1,56
	5.70	4.16	3.59	4.42
	(Loss)	(Loss)	(Loss)	(Loss)

Ajmer-Merwara.—These works are all irrigation tanks. The increase in the gross receipts during the year under review as compared with the year 1939-40 is due to favourable agricultural situation.

Baluchistan.—The increase in the working expenses, which has mainly occurred on the Pishin Canal System, is due to the undertaking of a number of works of extensions and improvements and special repairs to restore the system to a tolerable state of repairs.

REVIEW OF DEBT POSITION.

STATEMENT OF BORROWINGS.

10. The following statement shows the debt position of the Central Government at the beginning and close of the year under review:—

Nature of Debt.					On 1st April, 1940.	On 31st March, 1941.	Difference (+ or —).
1					2	3	4
<i>Rupee Debt (in lakhs).</i>							
Permanent Debt	..	..	..	..	4,50,81	5,77,36	+1,26,55
Floating Debt	..	..	..	..	54,70	84,90	+30,20
Unfunded Debt	..	..	..	..	2,22,24	1,98,91	—23,33
Total Rupee Debt					7,27,75	8,61,17	+1,33,42
<i>Sterling Debt (in £000).</i>							
Permanent Debt	..	..	..	..	329,328	255,833	—73,495
Unfunded Debt	..	..	..	..	(a)2,911	2,865	—46
Total Sterling Debt					332,239	258,698	—73,541
The same converted into Lakhs of Rupees at £1=Rs. 13½					4,42,98	3,44,93	—98,05
Total Debt (Rupee and Sterling)					11,70,73	12,06,10	+35,37
<i>Deduct (in lakhs)—Outstanding Loans and advances made by the Central Government to Provincial Governments, Indian States, etc.</i>					1,41,89	1,40,08	—1,81
Total of Debt, Rupee and Sterling, expressed in Lakhs of Rupees					10,28,84	10,66,02	+37,18

It will be seen from the statement above that there has been an increase of Rs. 1,26,55 lakhs under Permanent Debt—Rupee Debt,

Rs. 30,20 lakhs under Floating Debt—India,

Rs. 1,56,75 lakhs.

and a reduction of

Rs. 97,99 lakhs under Permanent Debt—Sterling Debt,

Rs. 23,39 lakhs under Unfunded Debt (India Rs. 23,33 lakhs England Rs. 6 lakhs).

Rs. 1,21,38 lakhs.

resulting in a net increase of total debt (Rupee and Sterling) by Rs. 35,37 lakhs.

There has also been a reduction of assets of Rs. 1,81 lakhs under “Loans and Advances” by the Central Government” (excess of recoveries over disbursements);

(a) Differs from last year's closing balance by 175 since written off to Government.

the total effect has, therefore, been an increase of the aggregate outstanding debt of the Central Government during the year under review by Rs. 37,18 lakhs. Against this increase, however, there was, at the end of the year, an increase over last year of Rs. 33,83 lakhs in the amount of Rupee securities held by Government in its Cash Balance Investment Account. These securities were held by Government either for cancellation or for sale to the public, and the increase in the total liability, therefore, may be taken as reduced by this amount.

Permanent Debt—Rupee Debt.—The loan programme of the Central Government during the year 1940-41 was merged in the Indian Defence Savings Movement launched early in June 1940. This included the issue of (i) the 3 per cent. Six Year Defence Bonds later replaced by the 3 per cent. Defence Bonds, 1946, (ii) Three Year Interest Free Defence Bonds and (iii) Ten Year Defence Savings Certificates. Later, Government issued a second 3 per cent. Defence Loan, from the 1st February 1941 in place of the 3 per cent. Defence Bonds.

The Interest Free Defence Bonds were issued at par with effect from the 10th June, 1940 and are obtainable in any amount above Rs. 50, subscriptions being received in cash only. The bonds are repayable at par on the expiry of three years from the date of issue, but can be encashed at par at any time not earlier than 12 months after the date of issue, on 3 months' notice. In case of private emergency, however, the Reserve Bank of India, on being satisfied of the need, may repay the bonds at par outside these provisions. The total subscriptions to these Bonds during the year amounted to Rs. 2,33,71,021, out of which Rs. 10,113 were repaid during the year leaving a balance of Rs. 2,33,60,908 at the close of the year. The loan is on tap.

The 3 per cent. Six Year Defence Bonds were issued with effect from the 10th June, 1940 at par and are repayable at Rs. 101 for every Rs. 100 (nominal) on the 1st August or 1st February, as the case may be, following the expiry of six years from the date of issue. The issue, however, was closed on the 31st July, 1940 with a total subscription of Rs. 71,29,200. This was replaced by a second series of these Bonds, the 3 per cent. Defence Bonds, 1946, with effect from 1st August, 1940. These Bonds are also repayable at Rs. 101 for every Rs. 100 (nominal) on the 1st August, 1946. The issue price was fixed between the 1st and the 10th August, 1940 at par and thereafter at prices which were increased every week by 9 pies per cent. so as to cover the weekly net interest accruing on the Bonds. Subscriptions were to be either in cash or by tender of 5 per cent. Loan, 1940-43 which was accepted for conversion at par *plus* the interest from the date of surrender up to 30th September, 1940. The issue was kept open till 24th January, 1941 when it closed with a total subscription of Rs. 44,43,01,900 consisting of Rs. 30,98,35,400 in cash and Rs. 13,44,66,500* by tender of the 5 per cent. Loan, 1940-43. The balance of the 5 per cent. Loan, 1940-43 was subsequently notified for discharge and a major portion amounting to Rs. 5,85 lakhs was actually repaid in cash during the year.

The sale of the 3 per cent. Defence Bonds, 1946 was discontinued on the 25th January, 1941. In their place, the Government issued, as from 1st February 1941, a second 3 per cent. Defence Loan, 1949-52 on terms slightly more favourable to the

*NOTE.—The actual amount of the 5 per cent. loan accepted for conversion was Rs. 13,45,23,700, the difference between this amount and the actual amount of the 3 per cent. Defence Bonds, 1946 issued in lieu, represents accrued interest on the issue price of the Defence Bonds and cash refunds.

tax payer. This loan is repayable at par and subscriptions are receivable without limit of amount and until further notice, in cash only. As in the case of the 3 per cent. Defence Bonds, the issue price was fixed at par for the period 1st to 8th February, 1941 and thereafter increased weekly by 9 pies per cent. The total receipts in respect of this loan up to the end of March, 1941 amounted to Rs. 3,92,13,800, out of which a sum of Rs. 3,75,37,700 was allocated as loan proper, while a sum of Rs. 16,21,170 has still to be allocated between 'loan' and 'interest'. This loan is also on tap.

The outstanding balance (amounting to Rs. 2,49,325) of the 5½ per cent. War Bonds, 1920 which were notified for discharge on the 15th August, 1920 was credited to revenue, as under the rules in force the balance of old loans remaining unclaimed for 20 years from the date of discharge is written off the debt account.

The new issues and conversions,—after making allowance for the discharges referred to above, the normal repayment of other loans in course of discharge (Rs. 19 lakhs) and the reduction of permanent debt resulting from the conversion of a portion of 3 per cent. Loan into 3½ per cent. Loan (Rs. 3 lakhs)—had the effect of increasing the burden of permanent rupee debt by Rs. 31,69 lakhs. Additional rupee securities amounting to Rs. 94,86 lakhs were also created in replacement of the sterling debt purchased and cancelled under the scheme of Repatriation of Sterling Debt described in the sub paragraph below under Sterling Debt. The net result has, accordingly, been an addition of Rs. 1,26,55 lakhs to the Permanent Rupee Debt as indicated below:—

Additions.	Lakhs of Rupees.	Reductions.	Lakhs of Rupees.
(1)	(2)	(3)	(4)
(A) New Loans issued—			
(1) Three Year interest Free Defence Bonds	2,31	5% Loan, 1940-43 conversion	13,45
(2) 3% Six Year Defence Bonds	71	5% Loan, 1940-43 discharged in cash ..	5,85
(3) 3% Defence Bonds, 1946	44,43	Loans in course of discharge	19
(4) 3% Defence Loan, 1949-52	3,75	Conversion of 3% Loan into 3½% Loan	3
	51,23	5½% War Bonds, 1920 written off ..	2
(B) Rupee securities created under the Repatriation Schemes—			
(1) Ordinary scheme	12,10		
(2) Extended scheme	2,70		
(3) Under the Vesting Orders	80,06		
	94,86		19,54 (C)
A + B	1,46,09		
Net addition (A+B — C) Rs. 1,26,55 lakhs.			

Permanent Debt—Sterling Debt.—No sterling loan matured for payment during the year, nor was any sterling loan floated. The Government, however, continued their previous programme of repatriation of their sterling debt both terminable and non-terminable under which sterling securities were acquired by open market purchases in London and cancelled, rupee securities being created in their place for sale to the public in accordance with the requirements of the market. The total amount of sterling stocks thus purchased and cancelled during the year amounted to £9,216,000 and the rupee loan created thereagainst was Rs. 12,10,00,000. Form

the 1st April, 1940, a further scheme of repatriation of sterling debt was brought into force which extended the option of transfer of sterling stocks to rupee loans of equal face value worked out at the rate of 1s. 6d. to the rupee and equal maturity to all the holders of India Sterling Loans on payment of a variable licence fee dependent mainly on the difference between the statutory and the market rates of exchange. The total amount of sterling loans thus acquired and cancelled was £2,022,675 in place of which rupee securities of the total face value of Rs. 2,69,69,000 were substituted.

However, with the improvement of the securities market and the progressive removal of the floating stock, it soon became obvious that purchases on such a large scale would no longer be possible except at a cost of pushing prices up beyond a reasonable level. With the Co-operation of the British Government, action was therefore taken to acquire compulsorily the bulk of India's terminable sterling debt by the issue on the 7th February, 1941 of a vesting order requiring all residents in the United Kingdom to surrender their holdings of India's sterling loans at prices fixed on the basis of the market prices as on the 7th February, 1941 *plus* an allowance for the period necessary for the examination of the surrendered documents before making payments. The first payment under these orders in respect of deliveries made by the 10th March, 1941 was made on the 24th March, 1941. The Central Government also issued a notification to the same effect on the 8th February, 1941 under the Defence of India Rules requiring residents in British India to surrender their holdings of the terminable sterling loans covered by the British Vesting Orders, payment being offered at their option in rupee counterparts or cash, *i.e.*, the rupee equivalent at 1s. 6d. of the price fixed in the British Vesting Orders. Arrangements were made with the Bank of England inviting non-residents outside the United Kingdom and British India to surrender their securities at their option on the basis of the prices fixed in the Vesting Orders. The total amount of sterling securities thus acquired up to 31st March, 1941 amounted to £60,047,539, (c) the amount of rupee counterparts created in their place being Rs. 80,06,33,855.

The following table shows the amount of non-terminable and terminable sterling debt cancelled during the year and up to 31st March, 1941, the cost to Government exclusive of accrued interest and the amount of rupee counterparts created :—

1	Amount of debt cancelled.		Cost to Government.		Amount of Rupee counterparts created.	
	During 1940-41.	Up to 1940-41.	During 1940-41.	Up to 1940-41.	During 1940-41.	Up to 31st March, 1941.
	2 £	3 £	4 Rs.	5 Rs.	6 Rs.	7 Rs.
Ordinary scheme ..	9,216,000	26,308,500	11,30,20,680	33,26,42,053(a)	12,10,00,000	(b)34,89,00,000
Extended scheme ..	2,022,675	2,022,675	..	..	2,69,69,000	2,69,69,000
Compulsory scheme—						
(i) Under the vesting orders issued in England	(c)54,022,500	54,022,500	76,98,09,752	76,98,09,752	72,03,00,000	72,03,00,000
(ii) Ditto. in India	(c)6,025,039	6,025,039	8,43,83,114	8,43,83,114	8,03,33,855	8,03,33,855

(a) The sterling payments have been converted into rupees at 1s. 6d. to the rupee.

(b) The difference between this amount and the rupee equivalent of the figure in column 3 is due to the creation of 3½ per cent. rupee paper in lieu of 2½ per cent. sterling stock cancelled.

(c) A difference of £148,997-10-2 between the amount adjusted by the Secretary of State and the amount adjusted in India has been cleared in 1941-42.

Out of the rupee counterparts created under the Vesting Orders, securities of the face value of Rs. 7,37,23,000 were sold to the public, securities valued at Rs. 36,30,47,855 were taken over by the Bank, while securities of the face value of Rs. 36,38,63,000 remained unsold on 31st March, 1941, and are retained by the Bank on behalf of the Central Government for eventual disposal in the manner to be advised by Government.

Besides the discharges mentioned above securities of the India 4½ per cent. stock, 1950-55 of the nominal value of £182,413 were purchased and cancelled during the year in addition to the normal capital payments on account of Railway annuities amounting to £2,175,613 making the total debt discharged £73,495,242* (Rs. 97,99 lakhs) as shown in the statement at page 22.

Unfunded Debt.—In India, there was a net decrease of Rs. 23,33 lakhs during the year mainly due to the repayment of (1) Post Office Savings Bank deposits (Rs. 18,81 lakhs) and (2) Post Office Cash Certificates (Rs. 10,04 lakhs), counter-balanced in part by net receipts under the newly created Post Office Ten Year Defence Savings Certificates (Rs. 2,30 lakhs) and by increased receipts (Rs. 2,82 lakhs) under State Provident Funds.

The rate of interest on Post Office Savings Bank Deposits remained unchanged at 1½ per cent. per annum. There was also no change in the issue price of the Post Office Cash Certificate, the yield thereon continuing at approximately 2½ per cent. compound interest, free of Income tax. The Government, however, announced in June 1940, as part of their Defence Savings movement already mentioned, the issue of Ten Year Defence Savings Certificates with a higher yield for a complete period of 10 years, viz., approximately 3½ per cent. compound interest, free of Income tax. Government have also instituted a new fund for their employees, called "The Defence Savings Provident Fund". The accumulated balance in the Fund is repayable on the subscriber's death, or on his quitting the service, or at his option one year after the end of the war, whichever is earlier, the rate of interest allowed being 3 % per annum. The net total receipts of this Provident Fund during the year amounted to Rs. 26 lakhs.

Floating Debt.—The total of the Treasury Bills outstanding at the end of the year stood at Rs. 68,90 lakhs compared with Rs. 54,70 lakhs at the close of the year 1939-40, resulting in an increase of Rs. 14,20 lakhs. The Central Government had also to borrow during the year from the Reserve Bank Rs. 52 crores as "Ways and Means Advances". This compares with Rs. 32.50 crores borrowed in the previous year. Repayment, however, was made to the extent of Rs. 36 crores leaving at the end of the year a balance of Rs. 16 crores which represents the amount of advances taken in March, 1941, mainly for financing the repatriation of the terminable sterling debt.

Cash Balance.—The cash balance at the end of the year was Rs. 14,68 lakhs or Rs. 1,94 lakhs less than the opening balance of the year.

* This excludes £148,998 referred to in footnote (c) on page 25.

The statement below shows how the sum of Rs. 37,18 lakhs representing the net addition to the outstanding debt of the Central Government and the sum of Rs. 1,94 lakhs drawn from the Cash Balance have been utilised :—

		(In lakhs of rupees.)			
Receipts.		Disbursements.			
(1)	(2)	(3)	(4)		
Additional Debt	37,18	To meet revenue deficit	6,53		
Withdrawal from Cash Balance ..	(a) 1,94	Capital expenditure outside the Revenue Account	6,93		
		Deposits and Advances (Net)—			
		Depreciation Reserve Fund			
		Railways	—5,45		
		Railway Reserve Fund	—5,46		
		Sinking Funds for Central			
		Loans	—95		
		Other Appropriations	—2,05		
		Other Deposits	—1,03		
		Advances	6,05		
		Suspense (mainly consisting of rupee securities created in connection with the repatriation of sterling debt but not sold)	25,47		
		Purchases and Sales of			
		Silver	—12,86		
		Revenue Reserve Fund	7,77		
		Miscellaneous items (Net)	10		
		Remittances (Net)	11,59		
		(The outstanding balance represents mainly sums due from or to His Majesty's Imperial Government outstanding at 31st March, 1941 and adjusted in the following year).	14,10		
		Transfer of Cash between England and India	—3		
	<u>39,12</u>		<u>39,12</u>		

SERVICE OF DEBT.

(i) Interest on Debt and Other Obligations.

11. The total amount paid by the Central Government during the year out of its current revenue on account of interest charges on its debt and on certain other obligations, such as deposits in the Depreciation Reserve and other Reserve Funds of Railways and other commercial departments and undertakings, etc., was Rs. 43,75 lakhs distributed broadly as under :—

		(In lakhs of Rupees).	
(1) Interest on Ordinary Debt (including Floating Debt)	35,47		
(2) Interest on Unfunded Debt which consists, mainly, of Provident Funds of Government servants, Savings Bank Deposits and Post Office Cash Certificates, etc.	6,56		
(3) Interest on other obligations	1,72		
	<u>43,75</u>		
(a) Cash Balance on 1st April, 1940	16,62		
Cash Balance on 31st March, 1941	14,68		
(exclusive of the balance of 46,45 in the Cash Balance Investment Account).			
Decrease in Cash Balance	<u>1,94</u>		

A substantial portion of the Central Government's debt was incurred for the benefit of Railways and other commercial departments and undertakings for financing their capital expenditure and a share of the interest charges is transferred to the debit of these Departments. Similarly, interest paid by the Provincial Governments on the outstanding balances of advances made to them from time to time out of the borrowed money, is taken in reduction of the gross interest charges. The total recovery on both these accounts came to Rs. 33,74 lakhs in 1940-41. The details of these charges will be found in account No. 5 of this report.

Taking into account the recoveries mentioned above and the interest portion of equated payments on account of commuted value of pensions (Rs. 23 lakhs) which is also taken in reduction of gross interest, the net burden which fell on the Central Civil Estimates during the year under review was roughly Rs. 9,78 lakhs. Against this, the Government received interest on certain accounts which amounted to Rs. 79 lakhs in the year under review. This includes receipts on account of interest (i) on Loans and Advances by the Central Government to other than Provincial Governments (Rs. 42 lakhs), and (ii) on Silver Redemption Reserve holdings (Rs. 37 lakhs).

(ii) Reduction or Avoidance of Debt.

12. Under the Scheme of Debt Redemption originally adopted by the Central Government for five years from 1925-26 to 1929-30 which, with certain minor changes, continued to operate till 1932-33, the annual charge against the Central Revenues for the purpose of making provision for reduction or avoidance of debt was to consist of:—

- (1) a sum of Rs. 4 crores, *plus*
- (2) a sum representing one eightieth of any excess in the total of the debt outstanding at the end of the preceding year over the total outstanding on 31st March, 1923.

This annual charge was, according to the scheme, to be applied towards meeting the following expenditure of an obligatory character involving actual redemption of debt:—

- (a) Railway Sinking Funds in operation,
- (b) Depreciation Funds of $1\frac{1}{2}$ per cent. on the existing 5 per cent. Rupee Loans for which Sinking Funds were established,
- (c) The Capital portion of the liabilities assumed in respect of the British 5 per cent. War Loans, 1929-47, and
- (d) The Capital portion of Railway annuities.

The actual provision in 1924-25, the year before the scheme was applied, was Rs. 3.78 crores and in 1932-33 the amount had risen to Rs. 6.84 crores. In 1933-34, however, the Central Government, with the concurrence of the Secretary of State for India, decided to reduce the provision for that and the two following years to a round sum of Rs. 3 crores only in view of the strengthening of the general financial position.

This reduced provision was to be regarded as covering the obligatory charges mentioned at (a) and (b) above and a part of (d), *i.e.*, the Capital portion of Railway annuities.

The same amount of Rs. 3 crores was provided for in the years 1936-37 to 1940-41, except that in 1937-38 the amount was for special reasons, reduced by Rs. 48 lakhs.

This sum of Rs. 3 crores has been charged to Revenue during 1940-41 and has been shown in the Appropriation Account of Grant No. 11.—Interest on Debt and other obligations and Reduction or Avoidance of Debt against sub-heads O. and P. The details are given below :—

	Rs.	A.	P.
(i) Railway Sinking Funds in operation, £200,000	26,66,666	10	8
(ii) Depreciation Fund of 1½ per cent. on the 5 per cent. Incometax free loan, 1945-55, for which Sinking Fund has been established	95,04,000	0	0
(iii) Capital portion of Railway annuities £2,175,612-17-6 (converted to Rs. 2,90,08,238-5-4) paid during the year of which a portion only was adjusted against Rs. 3 crores after meeting payments at (i) and (ii) above	1,78,29,333	5	4
	<u>3,00,00,000</u>	<u>0</u>	<u>0</u>

The appropriation to the Depreciation Fund of the 5 per cent. Rupee Loan was made in accordance with the undertaking given by the Central Government at the time of the flotation of the loan.

No payment was made during the year in respect of item (c) on page 28, *i.e.*, annual payment in reduction of India's outstanding liability in respect of the British War Loan.

The amount shown under sub-head O. corresponding to item (ii), represents expenditure in India while that under P. corresponding to items (i) and (iii) as detailed above, represents expenditure booked in the secretary of State's Accounts.

All these payments have been examined in audit and found to be in order.

In addition to the amount mentioned above, the following amounts were also debited to Revenue :—

	Rs.
(1) Discount on Loans debited to the major head "22.—Interest on Debt and other Obligations"	1,12 lakhs.
(2) Write back of the amount from the Capital major head "33.—Payments of Commuted Value of Pensions" to the Revenue Section of the Accounts	63 lakhs.
Total ..	<u>1,75 lakhs.</u>

These adjustments virtually amounted to a further appropriation from revenues for reduction or avoidance of debt.

The question of increased provision for reduction or avoidance of debt more in keeping with the size of the Capital Debt, was raised in the meeting of the Public Accounts Committee in 1936 and again in 1939. The Committee recommended that the Finance Department should examine whether in addition to the annual provision of Rs. 3 crores for reduction or avoidance of debt, there should not be a separate provision for amortisation of the Railway Debt, once the first quinquennium of the Niemeyer Award is over. In view, however, of the prevailing deficit budgets on account of the War, the Central Government have decided to postpone consideration of this question till a more suitable occasion.

LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT.

13. The transactions under this head and the balances outstanding at the beginning and the end of the year are given in the following table :—

(1) Heads of account.	(2) Balance on 1st April, 1940.	(3) Advances made in 1940-41.	(4) Total.	(5) Recoveries in 1940-41.	(6) Balance on 31st March, 1941.
Advances to Provincial Governments	1,21,80,42	1,03,41	1,22,83,83	2,27,28	1,20,56,55
Advances to Crown Representative	7,14	15,58	22,72	1,13	21,50
Loans to Indian States ..	10,92,27	..	10,92,27	70,77	10,21,50
Loans to Local Funds, etc. ..	9,02,02	35,42	9,37,44	31,02	9,06,42
Loans to Government Servants	7,46	25	7,71	5,66	2,05
Total ..	1,41,89,31	1,54,66	1,43,43,97	3,35,86	1,40,08,11

In all these cases, except where otherwise stated, the terms and conditions of the loans were fulfilled and the repayments were made regularly.

Advances to Provincial Governments.—This head records the loans to the Provincial Governments including the balances of their liabilities to the Provincial Loans Fund on the 31st March, 1937, which had not been cancelled under the scheme for the decentralisation of balances and the cancellation and consolidation of debt on the introduction of Provincial Autonomy. Advances to the Coorg Administration and the transactions and balances of the advances granted to the Provincial Governments of the United Provinces and Bihar during 1940-41 for the rehabilitation of the sugar industry are also included under this head.

Advances to Crown Representative.—This head records the advances required by the Crown Representative for making loans to Indian States, Notabilities, etc., and the recoveries thereof.

Loans to Indian States.—This head records (i) the balances of and the transactions in connection with the loans granted by the Central Government prior to the 1st April, 1937, and (ii) loans to Indian States subsequent to that date in pursuance of direct arrangement with the States—in most cases a business one.

Out of the total outstanding balance of 10,21,50, a sum of 9,83,66 represents the amount due from the Bahawalpur State.

The outstanding balance of 2,10 against two Indian States in the North-West Frontier Province is free of interest.

Loans to Local Funds, etc.—This head includes advances of the following classes :—

						Balance on 31st March 1941.
Loans to Major Port Trusts and Port Funds	..	..	..			6,35,02
Loans to Municipalities	..	..	..	..	..	66,94
Loans to District and other Local Fund Committees				..	..	76,63
Loans to Landholders and other Notabilities	..	..	..			48
Loans to Railway Companies	..	..	..	..	..	20,10
Advances to Cultivators	..	..	..	..	..	26,10
Advances under Special Laws	..	..	..	..	..	37,58
Miscellaneous Loans and Advances	..	..	..	..	..	43,57
Total						9,06,42

The head "Loans to Major Port Trusts, etc." includes 95,77 outstanding against the Madras Port Trust, 57,97 against the Cochin Port Fund, 4,27,88 against the Bombay Port Trust and 53,40 against the Chittagong Port Fund. The terms of repayment of an interest-free loan of 3,00 to the Cochin Port Fund have not yet been settled and no repayment has so far been made.

GUARANTEES GIVEN BY THE CENTRAL GOVERNMENT IN RESPECT OF LOANS RAISED BY
PROVINCIAL GOVERNMENTS, RAILWAY COMPANIES, LOCAL BODIES, ETC.

14. The Statement below shows Capital or Loans raised by Railway Companies, not treated as Capital contributed by Companies towards outlay on State Railways in Government Accounts, on which guarantees have been given by the Government.

Railways.	Particulars of loan.	Rate of Interest.	Actual amount of loan raised on which guarantee has been given by the Government.
(1)	(2)	(3)	(4)
1. Futwa-Islampur	Share Capital	3½ %.	Rs. 11,50,000
	Loans	3½ % plus ½ % commission to the Managing Agents.	78,562
	Do.	5 %.	7,50,000
2. Dasghara-Jamalpurganj (Bengal Provincial).	Share Capital	4 % of which 3½ % guaranteed by Government and ½ % by Bengal Provincial Railway.	3,34,000
	Loans	6 %.	3,370
3. Ahmadpur-Katwa	Share Capital	3½ %.	17,24,000
	Debentures	3½ %.	3,00,000
	Loans	Imperial Bank rate (now 3½ %).	94,858
4. Bankura-Damodar River	Share capital	3½ %.	34,00,000
	Debentures	3½ %.	4,00,000
	Overdraft	Imperial Bank rate (now 3½ %).	2,22,594
5. Burdwan-Katwa	Share capital	3½ %.	17,80,000
	Debentures	3½ %.	3,50,000
6. Kalghat-Falta	Share capital	3½ %.	19,50,000
	Debentures	4½ %.	3,00,000
	Do.	4 %.	1,50,000
7. Chapar-mukh-Silghat	Share capital	3½ %.	31,00,000
	Loans	5 %.	1,50,000
	Do.	3½ %.	1,00,000
	Do.	4 %.	17,164
8. Katakhal Lala Bazar	Share capital	3½ %.	8,91,100
	Debentures	4 %.	6,50,000
	Total		1,78,95,648

Funds are also raised by the Secretary of State by the issue of debentures through railway companies working state lines. The interest on these is guaranteed by the Secretary of State, but they are not in the nature of direct obligations incurred by him and are not therefore included in the Public Debt of the Central Government.

SUMMARY OF GENERAL FINANCIAL POSITION.

15. The influence of the War is writ large on the finances of the year. On the Revenue side, Customs suffered most. The intensification and extension of the War brought into play factors such as the loss of European markets, control of imports and exports and scarcity of freight, the combined effect of which was to neutralise the gains of the previous year, almost wholly in the case of imports. Simultaneously, the effect of the various measures taken for the safety of the country was to increase the weight on the defence budget by about 45 per cent. The year eventually closed with a deficit of Rs. 6,52·8 lakhs, which, but for the revenue surplus of 1939-40 (Rs. 7,77 lakhs), which Government had prudently set aside as a reserve to help out the finances of the next year and the proceeds of the supplementary taxation measures (Rs. 1,71 lakhs), would have risen to Rs. 16,01 lakhs. This deficit was met from borrowed money.

Substantial assistance to the finances of the year was afforded by the two great Commercial Departments, the Indian State Railways and the Posts and Telegraphs. The net contribution of the Indian State Railways to the general revenues, amounting to Rs. 12,16 lakhs, includes Rs. 7,24 lakhs on account of arrears of contribution due from Railway revenues for the period 1931-32 to 1938-39, which were paid, in spite of the Railway moratorium, in view of the need for assistance in the present emergency. Excluding Rs. 33 lakhs, the proportionate share of the estimated annual yield from the increases under Postal, Telegraphs and Telephone rates which accrued wholly to the Centre, the net revenue surplus of the Posts and Telegraphs Department appropriated to general revenues amounted to Rs. 92 lakhs. This surplus is again the largest since 1925-26 when the accounts of the Department were placed on a commercial basis.

In the financial markets, gilt-edged securities, after a setback during the first quarter of the year, recovered in sympathy with London and remained steady thereafter. Monetary conditions remained easy. After the fall of France there was an increased demand for the conversion of notes into coins, mainly for hoarding purposes. The withdrawal from circulation of a very large amount of coins threatened a dislocation of trade and slump in prices which necessitated the issue of a notification on the 25th June, 1940 by the Central Government penalising the acquisition of rupee coin in excess of personal or business requirements. To ease the situation further, Government of India one rupee notes were issued under the Currency Ordinance, 1940 promulgated on 24th July, 1940. These were to be current in British India in the same manner and to the same extent and as fully as silver rupee coins. The reactions of the War developments in May, 1940 were also witnessed in hurried encashments of Post Office Cash Certificates and heavier withdrawals from Savings Bank deposits. Confidence, however, returned in July when Savings Bank withdrawals showed a marked decline and the demand for repayments of Cash Certificates gradually fell to the level of pre-War months.

The previous scheme of repatriation of sterling loan was replaced in February, 1941 by a more comprehensive one in order to accelerate the process with the help of the accumulated sterling resources with the Reserve Bank. The particulars of the transactions connected with the scheme are stated in paragraph 10.

The loan programme of the Central Government in 1940-41 was merged in the Defence Savings movement. The total amount of Defence loans received during the year was Rs. 51,23 lakhs. The total gross debt (including unfunded debt) of the Central Government at the end of the year was Rs. 12,06 crores. As against this, a sum of Rs. 1,40 crores was due from Provincial Governments, Indian States, Local bodies and others on account of loans and advances granted to them. The net debt outstanding was thus Rs. 10,66 crores as against Rs. 10,29 crores at the end of the previous year, *i.e.*, a net increase of Rs. 37 crores. Government of India securities of the face value of Rs. 46,44 lakhs were held at the close of the year in the cash balance investment account for cancellation or sale to the public later, which virtually amounts to a reduction of the permanent debt to that extent (see paragraph 10).

The total net liability of the Government, inclusive of the capital contributed by Railway Companies towards outlay on State Railways, stands at Rs. 10,95 crores. Out of this total liability, a sum of about Rs. 7,87 crores represents capital invested in Railways, Posts and Telegraphs and Irrigation (Productive) Works. This forms nearly 72 per cent. of the total net liability of which the largest share is absorbed in Railways. The statement in account No. 6 of Part A-II shows the total progressive capital expenditure outside the revenue account. The arrangement made by the Government for the amortisation of the public debt has been stated in paragraph 12.

A—GENERAL FINANCE ACCOUNTS

PART II—ACCOUNTS

No. 1.—GENERAL ABSTRACT OF RECEIPTS AND DISBURSEMENTS.

Receipts.	Actuals for 1940-41.		Disbursements.		Actuals for 1940-41.
1	2	Rs.	3	4	Rs.
REVENUE—					
Principal Heads of Revenue—					
Customs	Direct Demands on the Revenue .. ..	..	3,81,54,370
Central Excise Duties	37,29,68,112			
Corporation Tax	9,48,60,908			
Taxes on Income other than Corporation Tax	4,13,84,221			
Salt	17,63,34,358			
Opium	7,67,26,534			
Other Heads	47,85,312			
	..	1,14,32,237			
Total Principal Heads	77,84,91,682			
EXPENDITURE—					
Railways : Net Revenue	47,75,52,554	Railways : Interest and Miscellaneous charges ..	..	35,59,15,862
Irrigation : Net Receipts	1,55,280	Irrigation .. .. .	..	8,81,957
Posts and Telegraphs : Net Receipts	1,93,75,736	Posts and Telegraphs .. ..	..	68,95,411
Debt Services	78,77,318	Debt Services .. .. .	..	12,78,42,900
Civil Administration	1,13,40,369	Civil Administration .. ..	..	12,43,49,365
Currency and Mint	1,94,60,557	Currency and Mint .. .. .	..	98,86,904
Civil Works and Miscellaneous Public Improvements	35,83,707	Civil Works and Miscellaneous Public Improvements ..	..	2,98,72,776
Miscellaneous	1,65,22,829	Miscellaneous .. .. .	..	3,09,28,129
Defence Receipts	1,19,23,390	Defence Services .. .. .	..	74,30,64,001
Extraordinary Items	10,49,84,813	Contributions and Miscellaneous Adjustments between Central and Provincial Governments ..	..	3,04,76,754
			Extraordinary Items .. .. .	..	1,22,26,149
			Capital Expenditure within the Revenue Account. (Details by Major Heads are given in Account No. 2) .. .. .	..	10,53,600
Total Revenue Receipts (A)	1,45,12,08,225	Total Expenditure on Revenue Account (A) .. ..	..	1,51,65,48,178

(A) Revenue deficit during the year Rs. 6,52,79,943.

No. 2.—SUMMARY OF REVENUE AND EXPENDITURE BY MAJOR HEADS.

Heads of Revenue.	Heads of Expenditure.			Total.
	1	3	5	
Actuals for 1940-41.	Rs.	Rs.	Rs.	Rs.
A.—Principal Heads of Revenue—				
I.—Customs ..	37,29,68,112	..	..	82,52,915
II.—Central Excise Duties ..	9,48,60,908	..	..	30,88,251
III.—Corporation Tax ..	4,13,84,221	..	..	12,61,732
IV.—Taxes on Income other than Corporation Tax ..	17,63,34,358	..	..	66,41,635
V.—Salt ..	7,67,26,534	..	..	1,01,40,812
VI.—Opium ..	47,85,312	..	..	23,37,828
VII.—Land Revenue ..	18,11,128	..	..	5,54,946
VIII.—Provincial Excise ..	26,72,651	..	..	5,43,508
IX.—Stamps ..	39,31,667	..	..	26,63,957
X.—Forest ..	23,14,170	..	..	23,78,216
XI.—Registration ..	93,468	..	..	10,450
XII.—Receipts under Motor Vehicles Acts ..	4,23,263	..	..	..
XIII.—Other Taxes and Duties ..	1,85,890	..	..	..
Total ..	77,84,91,682	..	..	2,76,780
B.—Railway Revenue Account—				
XV-A.—State Railways—	..	..	..	3,340
Commercial Lines—	..	..	..	..
Gross Receipts ..	1,15,84,54,129	..	..	..
Deduct—	..	..	..	..
Working Expenses ..	—68,28,35,476	..	..	..
Share of surplus profits paid to Indian States and Railway Companies ..	..	..	..	..
Payments to worked lines ..	—49,63,571	..	..	..
Net Receipts ..	—3,08,93,481	..	..	..
B.—Railway Revenue Account—				
15-A.—State Railways—	..	..	..	..
Commercial Lines—	..	..	..	..
Interest on Debt ..	..	..	..	..
Interest on Capital contributed by Companies and Indian States ..	..	..	..	..
15-B.—State Railways—	..	..	..	..
Strategic Lines—	..	..	..	..
Interest on Debt ..	..	..	..	..
15-C.—Subsidised Companies ..	..	..	..	..
Total ..				
3,81,54,370				
26,42,41,221				
97,96,877				
6,56,452				
1,27,39,843				
6,56,452				

15-D.—Miscellaneous Railway Expenditure—			
Commercial Lines	24,22,513	30,20,703	54,43,216
15-E.—Miscellaneous Railway Expenditure—			
Strategic Lines	9,065	22,682	31,747
15-F.—Transfers to Railway Reserve Fund .. ..	..	6,30,06,506	6,30,06,506
Total	28,89,46,455	6,69,69,407	35,59,15,862

XV-B.—State Railways—		
Strategic Lines—	1,73,27,536	
Gross Receipts	—1,97,52,487	
Deduct—Working Expenses ..	—24,24,951	
Net Receipts	13,24,829	
XVI.—Subsidised Companies ..		
XVI-A.—Railway Miscellaneous Receipts—	1,77,21,417	
(a) Commercial Lines	11,69,658	
(b) Strategic Lines	1,88,91,075	
Total	47,75,52,554	

C.—Irrigation, Navigation, Embankment and Drainage Works—			
XVII.—Works for which Capital Accounts are kept—			
Gross Receipts	4,86,562		
Deduct—Working Expenses ..	—3,46,444		
Net Receipts	1,40,118		
XVIII.—Works for which no Capital Accounts are kept	15,162		
Total	1,55,280		
C.—Revenue Account of Irrigation, Navigation, Embankment and Drainage Works—			
17.—Works for which Capital Accounts are kept—			
Interest on capital	7,04,414	..	7,04,414
18.—Other Revenue Expenditure financed from ordinary revenues ..	77,173	1,00,370	1,77,543
Total	7,81,587	1,00,370	8,81,957

D.—Posts and Telegraphs Revenue Account—			
20.—Posts and Telegraphs—			
Interest on Debt	68,95,411	..	68,95,411
D.—Posts and Telegraphs—			
Gross Receipts	13,28,25,705		
Deduct—Working Expenses ..	—11,34,49,969		
Net Receipts	1,93,75,736		

No. 2.—SUMMARY OF REVENUE AND EXPENDITURE BY MAJOR HEADS—*contd*

Heads of Revenue.	1	Actuals for 1940-41. 2	Heads of Expenditure. 3	Actuals for 1940-41.			Total. 6
				Non-voted. 4	Voted. 5	Rs.	
		Rs.		Rs.	Rs.		Rs.
E.—Debt Services—							
XX.—Interest	..	78,77,318	22.—Interest on Debt and other Obligations—				
			A.—Interest on Ordinary Debt—				
			(i) Rupee Debt ..	19,28,76,150	13,37,322		19,42,13,472
			(ii) Sterling Debt ..	13,96,13,049	8,91,020		16,05,04,069
			B.—Interest on Unfunded Debt ..	5,98,07,944	57,58,279		6,55,66,223
			C.—Interest on other Obligations ..	1,72,11,955	..		1,72,11,955
			D.—Transfers—				
			Deduct—Interest transferred to				
			Commercial Departments—				
			Railways ..	27,67,21,106	..		27,67,21,106
			Irrigation ..	7,01,114	..		7,01,114
			Posts and Telegraphs ..	68,99,500	..		68,99,500
			Other Commercial Departments ..	6,73,868	..		6,73,868
			Interest paid by Provincial Governments ..	5,23,70,576	..		5,23,70,576
			Interest portion of equated payments on account of commuted value of pensions ..	22,83,055	..		22,83,055
			Total Transfers ..	33,96,52,819	..		33,96,52,819
			Net ..	8,98,56,279.	79,86,621		9,78,42,900
			23.—Appropriation for Reduction or Avoidance of Debt ..	3,00,00,000	..		3,00,00,000
			Total ..	11,98,56,279	79,86,621		12,78,42,900
F.—Civil Administration—							
XXI.—Administration of Justice	1,48,336	25.—General Administration—				
XXII.—Jails and Convict Settlements	8,47,128	A.—Heads of Provinces (including Governor General, Executive Council and Ministers) ..	33,43,480	2,37,206		35,80,746
XXIII.—Police	84,175					
XXIV.—Ports and Pilotage	19,25,251					

XXV.—Lighthouses and Lightships	7,59,559	B.—Legislative Bodies	54,739	7,71,884	8,26,623
XXVI.—Education	2,23,377	C.—Secretariat and Headquarters Establishments	58,44,327	30,63,986	98,08,313
XXVII.—Medical	2,15,811	E.—District Administration	9,62,469	4,30,468	13,92,937
XXVIII.—Public Health	4,95,197	G.—Miscellaneous	—1,65,715	1,18,348	—47,367
XXIX.—Agriculture	5,76,713	H.—Charges in England—			
XXX.—Veterinary	4,02,670	A.—Secretary of State for India	13,65,606	71,913	14,37,519
XXXI.—Co-operation	176	B.—High Commissioner for India	13,04,426	19,70,391	32,74,817
XXXII.—Industries	35,335	Total	1,27,09,332	75,04,256	2,02,73,588
XXXIII.—Aviation	1,54,386	26.—Audit	8,30,264	90,81,874	99,12,138
XXXIV.—Broadcasting	14,55,318	27.—Administration of Justice	5,10,160	4,46,742	9,56,902
XXXV.—Indian Stores Departments	20,18,155	28.—Jails and Convict Settlements	3,64,764	28,15,869	31,80,633
XXXVI.—Miscellaneous Departments	19,98,782	29.—Police	11,96,287	30,30,521	42,26,808
		30.—Ports and Pilotage—			
		A.—Major Ports—			
		(1) Bengal Pilot Service	5,59,237	7,54,594	13,13,831
		(2) Other Charges	3,63,985	6,81,102	10,45,087
		Total	9,23,222	14,35,696	23,58,918
31.—Lighthouses and Lightships			10,076	7,64,901	7,74,977
32.—Ecclesiastical			29,14,006		29,14,006
33.—Payments to Crown Representative			1,35,34,039		1,35,34,039
34.—Tribal Areas			2,15,05,831		2,15,05,831
35.—External Affairs			70,20,876		70,20,876
36.—Scientific Departments			11,22,670	57,27,474	68,50,144
37.—Education—					
A.—University				11,10,531	11,10,531
B.—Secondary			1,26,434	6,78,831	8,05,265
C.—Primary			1,43,228	3,08,177	4,51,405
D.—Special			9,743	71,206	80,949
E.—General			94,375	1,18,726	2,13,101
F.—Charges in England			4,809	19,891	24,700
Total			3,78,589	23,07,362	26,85,951

No. 2.—SUMMARY OF REVENUE AND EXPENDITURE BY MAJOR HEADS—*contd.*

Heads of Revenue.	Actuals for 1940-41. Rs.	Heads of Expenditure.	Actuals for 1940-41.		
			Non-voted.	Voted.	Total.
1	2	3	4	5	6
			Rs.	Rs.	Rs.
G.—Currency and Mint— XXXVII.—Currency XXXVIII.—Mint	Total .. 1,13,40,369	38.—Medical ..	..	15,75,350	22,40,981
		39.—Public Health ..	..	28,06,347	31,17,329
		40.—Agriculture ..	..	33,27,653	44,12,648
		41.—Veterinary ..	..	8,44,325	9,20,444
		42.—Co-operation ..	..	64,583	64,583
		43.—Industries ..	..	11,74,147	11,74,568
		44.—Aviation ..	..	78,69,392	78,69,434
		45.—Broadcasting ..	..	30,13,430	30,24,298
		46.—Indian Stores Department ..	..	19,85,007	20,27,869
		47.—Miscellaneous Departments ..	..	7,57,834	33,02,400
		Total	.. 6,59,69,870	5,83,79,495	12,43,49,365
G.—Currency and Mint— 48.—Currency 49.—Mint	Total .. 43,60,400 .. 1,51,00,157	48.—Currency ..	..	48,00,641	49,55,189
		49.—Mint ..	..	48,21,600	49,31,715
		Total	.. 2,61,663	96,22,241	98,86,904
H.—Civil Works and Miscellaneous Public Improvements— XXXIX.—Civil Works J.—Miscellaneous— XLII.—Receipts from Indian States XLIV.—Receipts in aid of Superannuation	Total .. 35,83,707 .. 63,39,292 .. 20,59,038	50.—Civil Works ..	..	40,98,939	2,57,73,837
		54.—Pamino ..	..	33,82,881	33,82,881
		55.—Superannuation Allowances and Pensions ..	..	1,02,90,628	2,05,67,984
		56.—Stationery and Printing ..	..	42,78,735	43,39,799
		57.—Miscellaneous ..	..	21,59,447	26,37,465
		Total	.. 1,08,16,138	2,01,11,691	3,09,28,129
		Total	.. 1,65,22,829		
K.—Defence Services— XLVII.—Defence Receipts—Effective XLVIII.—Defence Receipts—Non-effective	Total .. 73,17,102 .. 46,06,288	58.—Defence Services—Effective ..	..	65,96,69,057	65,96,69,057
		59.—Defence Services—Non-effective ..	..	8,83,94,944	8,83,94,944
		Total	.. 74,80,64,001	..	74,80,64,001

L.—Contributions and Miscellaneous Adjustments between Central and Provincial Governments—

61.—Grants-in-aid to Provincial Governments	3,03,00,000	52,700	3,03,52,700
62.—Miscellaneous adjustments between Central and Provincial Governments .. ..	..	1,24,054	1,24,054
Total	3,03,00,000	1,76,754	3,04,76,754

M.—Extraordinary Items—

LI.—Extraordinary Receipts	2,24,58,417		
LII.—Receipts connected with the War, 1939	48,10,163		
LII-A.—Transfer from Revenue Reserve Fund	7,77,16,233		
Total	10,49,84,813		

63.—Extraordinary Charges	4,10,371	..	4,10,371
64.—Expenditure connected with the War, 1939	1,18,15,778	..	1,18,15,778
Total	1,22,26,149	..	1,22,26,149
Total Revenue Expenditure	1,29,55,44,032	21,99,50,546	1,51,54,94,578

Capital Expenditure within the Revenue Account—

AA.—5-A.—Capital Outlay on Salt Works .. ..	..	45,437	45,437
CC.—19.—Construction of Irrigation, Navigation, Embankment and Drainage Works	32,133	..	32,133
DD.—21.—Capital Outlay on Posts and Telegraphs .. ..	..	46,928	46,928
JJ.—55-A.—Commutation of Pensions financed from Ordinary Revenues	10,79,271	—1,50,169	9,29,102
Total	11,11,404	—57,804	10,53,600

Total Expenditure within the Revenue Account

.. 1,45,12,68,235			
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.. 1,29,66,55,436	21,98,92,742	1,51,65,48,178	
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Total Revenue

No. 2.—SUMMARY OF REVENUE AND EXPENDITURE BY MAJOR HEADS—*concl'd.*

Heads of Revenue.	Actuals for 1940-41. 2	Heads of Expenditure.	Actuals for 1940-41.		Total.
			Non-voted.	Voted.	
1	Rs.	3	4	5	6
			Rs.	Rs.	Rs.
Capital Outlay outside the Revenue Account—					
BB.—Railway Capital Accounts—					
67.—A.—Construction of State Railways—					
Commercial			54,020	2,33,98,051	2,34,52,071
67.—B.—Construction of State Railways—					
Strategic			21,234	—3,41,448	—3,20,164
DD.—Posts and Telegraphs Capital Ac-					
count—					
69.—Capital Outlay on Posts and Tele-					
graphs	4,78,89,499	4,78,89,499
FF.—Civil Administration Capital Ac-					
counts—					
73.—Capital Outlay on Vizagapatnam					
Port	4,075	4,075
HH.—Civil Works and Miscellaneous					
Public Improvements—					
78.—Initial Expenditure on New Capi-					
tal at Delhi	13,21,324	13,21,324
JJ.—Miscellaneous Capital Account—					
83.—Payments of Commuted Value					
of Pensions			—10,74,745	—19,49,150	—30,23,895
Total			—9,99,441	7,03,22,351	6,93,22,910
Total Revenue			.. 1,45,12,68,235		
Total Expenditure			.. 1,29,56,55,995		
Total Expenditure			29,02,15,093		
Total Revenue			1,58,58,71,088		

No. 3.—STATEMENT SHOWING THE DISTRIBUTION BETWEEN NON-VOTED AND VOTED EXPENDITURE.

	Non-voted.	Voted.	Total.
	Rs.	Rs.	Rs.
1	2	3	4
Expenditure charged to Revenue (a) ..	1,30,63,02,409	1,04,24,87,197	2,34,87,89,606
Expenditure not charged to Revenue ..	—9,99,441	7,03,22,351	6,93,22,910
Disbursements under Debt, Deposits, etc., treated as expenditure	15,58,271	11,09,96,290	11,25,54,561
Total ..	1,30,68,61,239	1,22,38,05,838	2,53,06,67,077

(a) The figures have been arrived at as follows :—

	Non-voted Expenditure.	Voted Expenditure.
	Rs.	Rs.
Total expenditure within Revenue Account as in Account No. 2	1,29,66,55,436	21,98,92,742
Add Working Expenses of—		
Railways	78,48,452	71,05,96,563
Irrigation	2,61,009	85,435
Posts and Telegraphs	15,37,512	11,19,12,457
Total ..	1,30,63,02,409	1,04,24,87,197

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS.

Heads.	Actuals for 1940-41. Rs.
A.—Principal Heads of Revenue—	
I.—Customs—	
Sea Customs—	
Imports	37,55,66,430
Exports	3,36,24,506
Miscellaneous	9,00,007
Land Customs	28,54,372
Miscellaneous	8,03,591
<i>Deduct—</i>	
Share of Customs Revenue payable to the Travancore and Cochin Govern- ments	—45,72,211
Share of net proceeds of export duties assigned to Provinces	—1,85,12,093
Refunds and Drawbacks	—1,76,96,490
Total ..	37,29,68,112
II.—Central Excise Duties—	
Excise duty on motor spirit	1,87,77,546
Excise duty on kerosene	71,42,320
Excise duty on sugar	3,02,97,117
Excise duty on matches	2,20,25,056
Excise duty on silver	2
Excise duty on steel ingots	50,28,737
Excise duty on coal and coke	29,82,212
Miscellaneous	421
<i>Deduct—Refunds</i>	—12,92,503
Total ..	9,48,60,908
III.—Corporation Tax—	
Ordinary collections	2,99,49,422
Miscellaneous	2
<i>Deduct—Refunds</i>	—13,68,040
Surcharge (net)	19,93,397
Excess profits tax	1,08,17,268
Receipts in England	—7,814
Loss or gain by exchange	—14
Total ..	4,13,84,221

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.

Accounts
for
1930-31.
Rs.A.—Principal Heads of Revenue—*contd.*

IV.—Taxes on Income other than Corporation Tax—

Income tax	15,42,71,583
Super tax	3,25,37,109
Surcharge (net)	1,18,09,841
Excise profits tax (net)	45,66,176
Miscellaneous	91,413
Receipts in England	2,91,093
Loss or gain by exchange	510
<i>Deduct—</i>	
Share of net proceeds assigned to Provinces	—4,16,00,099
Refunds	—1,04,36,522
Total ..	17,62,34,353

V.—Salt—

Sales of Government salt	28,12,512
Excise duty on salt manufactured locally	5,27,99,781
Duty on imported salt	2,32,27,344
Rent of warehouses	1,53,481
Fees and cesses	3,42,876
Despatch receipts	1,23,023
Miscellaneous	4,74,517
<i>Deduct—Refunds</i>	<i>—39,07,936</i>
Total ..	7,67,26,634

VI.—Opium—

Sale of medical opium	51,294
Cost price of opium sold to Provincial Governments	39,51,977
Sale proceeds of Mewar opium	1,40,537
Sale proceeds of Neemuch Ball opium	2,69,331
Miscellaneous	1,33,771
Receipts in England	2,38,056
Loss or gain by exchange	111
<i>Deduct—Refunds</i>	<i>—71</i>
Total ..	47,85,312

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
A.—Principal Heads of Revenue—<i>contd.</i>	
VII.—Land Revenue—	
Ordinary revenue	19,65,515
Sale-proceeds of waste lands and redemption of land tax	48
Moturpha (house-tax) collections	9,231
Rates and cesses on lands	200
Recoveries of overpayments	55
Collection of payments for services rendered	5,011
Miscellaneous	2,43,792
<i>Deduct—</i>	
Portion of land revenue due to Irrigation	—4,11,631
Refunds	—1,093
Total ..	
	18,11,123
VIII.—Provincial Excise—	
Country spirits	12,11,465
Country fermented liquor	5,099
Malt liquors	73,796
Wines and spirits (foreign liquors other than beer, medicated wines and commercial spirits)	2,47,188
Receipts from commercial spirits including denatured spirits and medicated wines	58,467
Opium	6,95,563
Duties on medicinal and toilet preparations containing alcohol, opium, etc ..	4,697
Hemp and other drugs	3,81,938
Fines, confiscations and miscellaneous	766
Recoveries of overpayment	250
Collection of payments for services rendered	783
<i>Deduct—Refunds</i>	—7,262
Total ..	
	26,72,651
IX.—Stamps—	
A.—Non-Judicial—	
Sale of stamps	5,11,192
Duty on impressing documents	65,463
Fines and penalties	1,668
Miscellaneous	19
<i>Deduct—Refunds</i>	—19,509
Total A.—Non-Judicial ..	
	5,58,834

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
A.—Principal Heads of Revenue—<i>contd.</i>	
IX.—Stamps—<i>contd.</i>	
B.—Judicial—	
(i) Court fees—	
Court fees realised in stamps	5,83,010
<i>Deduct—Refunds</i>	—43
(ii) Other receipts—	
Sale of stamps	1,02,491
Fines and penalties	483
<i>Deduct—Refunds</i>	—5,574
Total B.—Judicial	
	6,80,967
C.—General—	
Security Printing, India—	
Recoveries from different Governments for value of stamps supplied ..	26,48,268
Other receipts	43,598
Total C.—General	
	26,91,866
Total	
	39,31,667
X.—Forest—	
Timber and other produce removed from the forests by Government agency ..	20,51,105
Timber and other produce removed from the forests by consumers and purchasers	28,181
Drift and waif wood and confiscated forest produce	10
Revenue from forests not managed by Government	12,202
Miscellaneous	2,22,520
Loss or gain by exchange	252
<i>Deduct—Refunds</i>	—100
Total	
	23,14,170
XI.—Registration—	
Fees for registering documents	74,510
Fees for copies of registered documents	13,823
Miscellaneous	5,565
<i>Deduct—Refunds</i>	—430
Total	
	93,468

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
A.—Principal Heads of Revenue—<i>conold.</i>	
XII.—Receipts under Motor Vehicles Acts—	
Receipts under the Indian Motor Vehicles Act	1,24,675
Receipts under the Provincial Motor Vehicles Act	2,96,533
Fees and other receipts	2,066
<i>Deduct—Refunds</i>	—51
Total ..	
	4,23,263
XIII.—Other Taxes and Duties—	
A.—Taxes on Luxuries including taxes on Entertainments, Amusements, Betting and Gambling—	
Entertainment Tax	1,86,635
<i>Deduct—Refunds</i>	—745
Total ..	
	1,83,890
B.—Railway Revenue Account—	
XV-A.—State Railways—	
Commercial Lines—	
Gross Receipts—	
Coaching earnings	37,87,59,412
Goods earnings	75,67,02,624
Sundry other earnings	2,54,00,708
<i>Suspense</i>	—24,08,615
Total Gross Receipts ..	
	1,15,84,54,129
<i>Deduct—</i>	
Working Expenses—	
A.—Maintenance of Structural Works	—7,37,58,591
B.—Maintenance and supply of Locomotive Power	—18,29,91,778
C.—Maintenance of Carriage and Wagon stock	—6,00,19,246
D.—Maintenance of Working of Ferry Steamers and Harbours	—30,24,356
E.—Expenses of Traffic Department	—10,06,12,734
F.—Expenses of General Departments	—4,04,67,392
G.—Miscellaneous Expenses	—4,55,72,405
H.—Expenses of Electrical Department	—3,58,74,162
I.—Suspense	+2,62,901
<i>Appropriation to Depreciation Reserve Fund</i>	—12,07,77,713
Total Working Expenses	
	—66,28,35,476

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.

Actuals
for
1940-41.
Rs.**B.—Railway Revenue Account—*contd.***

Share of surplus profits paid to Indian States and Railway Companies .. —49,63,571

Payments to Worked Lines—

(i) Net earnings —3,02,88,618

(ii) Rebate, subsidy, etc. —6,04,863

Total—*Deduct* .. —69,86,92,525

Net .. 45,97,61,601

XV-B.—State Railways—

Strategic Lines—

Gross Receipts—

Coaching earnings 60,48,599

Goods earnings 1,09,92,804

Sundry other earnings 2,86,133

Total Gross Receipts .. 1,73,27,536

Deduct—

Working Expenses—

A.—Maintenance of Structural Works —25,55,261

B.—Maintenance and supply of Locomotive Power —58,36,725

C.—Maintenance of Carriage and Wagon Stock —12,44,517

E.—Expenses of Traffic Department —18,93,759

F.—Expenses of General Department —11,06,611

G.—Miscellaneous Expenses —8,41,474

H.—Expenses of Electric Service Department —6,37,964

Appropriation to Depreciation Reserve Fund —56,36,173

Total Working Expenses .. —1,97,52,487

Net Receipts .. —24,24,951

XVI.—Subsidised Companies—

Government share of surplus profits 3,67,471

Sale of land 23,821

Guarantee from Provincial Governments in respect of unremunerative lines .. 9,33,537

Total .. 13,24,829

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*concl.*

Heads.	Actuals for 1940-41. Rs.
B.—Railway Revenue Account—<i>concl.</i>	
XVI-A.—Railway Miscellaneous Receipts—	
(a) Commercial Lines—	
Interest on Depreciation Reserve Fund balances	1,35,93,637
Interest on Railway Reserve Fund balances	11,92,688
Interest and dividends on securities purchased from the Railway Reserve Fund and the Depreciation Reserve Fund	3,35,600
Contribution for Government supervision and control recoverable from Companies	11,40,225
Miscellaneous Receipts	14,59,261
(b) Strategic Lines—	
Interest on Depreciation Reserve Fund balances	11,69,658
Total ..	1,88,91,075
C.—Irrigation, Navigation, Embankment and Drainage Works—	
XVII.—Irrigation, Navigation, Embankment and Drainage Works for which Capital Accounts are kept—	
A.—Irrigation Works—	
(1) Productive Works—	
Gross Receipts—	
Direct receipts	2,647
Portion of land revenue due to works	3,61,699
Total ..	3,64,346
Deduct—	
Working Expenses—	
Maintenance and repairs	—98,603
Establishment	—73,952
Tools and Plant	—3,522
Total ..	—1,76,077
Net Receipts ..	1,88,269

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd*

Heads.

Actuals
for
1940-41.
Rs.C.—Irrigation, Navigation, Embankment and Drainage Works—*concl'd*.XVII.—Irrigation, Navigation, Embankment and Drainage Works for which Capital Accounts are kept—*concl'd*.A.—Irrigation Works—*concl'd*.

(2) Unproductive Works—

Gross Receipts—

Direct Receipts—

Water rates	..	..	..	..	..	..	65,386
Sales of water	..	..	..	..	..	..	482
Water power	..	..	..	..	..	..	1,816
Rents	..	..	..	..	..	..	255
Fines	..	..	..	..	..	..	701
Miscellaneous	..	..	..	..	..	..	3,666
<i>Deduct—Refunds</i>	—22
Portion of land revenue due to works	49,932

Total	..	1,22,216
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Deduct—

Working Expenses—

Extensions and improvements	—29,666
Maintenance and repairs	—1,05,088
Establishment	—33,866
Tools and Plant	—1,767

Total Working Expenses	—1,70,367
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Net Receipts	..	—48,151
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Total Net Receipts	..	1,40,118
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XVIII.—Irrigation, Navigation, Embankment and Drainage Works for which no Capital Accounts are kept—

A.—Irrigation Works—

Direct Receipts—

Water rates	..	..	..	..	..	..	5,196
Rents	..	..	..	..	..	..	345
Recoveries of expenditure	831
Miscellaneous	8,801
<i>Deduct—Refunds</i>	—11

Total	..	15,162
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No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.				Actuals for 1940-41. Rs.
D.—Posts and Telegraphs—				
XIX.—Posts and Telegraphs—				
Abstract A.—Postage and Message Revenue	..	..	..	9,80,21,530
Abstract B.—Miscellaneous Revenue	..	..	..	3,48,04,175
Total Gross Receipts			..	13,28,25,705
<i>Deduct—</i>				
Working expenses—				
Abstract C.—General Administration	..	..	..	—30,96,947
Abstract D.—Accounts and Audit	..	..	..	—20,86,578
Abstract E.—Control (Circle Offices)	..	..	..	—34,17,998
Abstract F.—Engineering Expenses	..	..	..	—47,17,163
Abstract G.—Pensionary charges	..	..	..	—1,15,73,373
Abstract H.—Stamps, Post cards, Printing and Stationery	..	..	..	—40,96,513
Abstract I.—Maintenance of Assets	..	..	..	—37,22,071
Abstract J.—Postal Expenses (including cost of combined offices)	..	..	..	—7,21,90,326
Abstract K.—Telegraph Traffic (excluding cost of combined offices)	..	..	..	—92,47,034
Abstract L.—Telegraph (Radio) Expenses	..	..	..	—6,58,112
Abstract M.—Telephone Expenses	..	..	..	—26,21,263
Abstract N.—Contributions to the Renewals Reserve Fund	..	..	..	—23,05,000
Abstract O.— <i>Deduct</i> —Credits to Working Expenses	..	..	..	+68,85,409
Total Working Expenses			..	—11,34,49,969
Net Receipts			..	1,03,75,736
E.—Debt Services—				
XX.—Interest—				
Interest on loans and advances by the Central Government	..	..	..	41,76,234
Interest realised on investments of cash balances	..	..	..	1,400
Interest on arrears of revenue	..	..	..	381
Percentage from subscribers to Service Funds on foreign service	..	..	..	175
Miscellaneous	..	..	..	17,361
Receipts in England	..	..	..	36,75,507
Loss or gain by exchange	..	..	..	6,391
<i>Deduct</i> —Refunds	..	..	..	—131
Total			..	78,77,318

No. 4 —DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
F.—Civil Administration—	
XXI.—Administration of Justice—	
Sale proceeds of unclaimed and escheated property	8,392
Court fees realised in cash	21,567
General fees, fines and forfeitures	1,08,603
Receipts of the Federal Court	3,302
Miscellaneous fees and fines	8,563
Recoveries of overpayments	482
Collection of payments for services rendered	3,336
Miscellaneous	480
<i>Deduct—Refunds</i>	—6,339
Total ..	1,48,336
XXII.—Jails and Convict Settlements—	
Jails	3,239
Jail manufactures	45,589
Convict receipts at Port Blair and Nicobars	2,16,871
Recoveries of overpayments	1,308
Collection of payments for services rendered	5,80,975
<i>Deduct—Refunds</i>	—854
Total ..	8,47,128
XXIII.—Police—	
Contribution for Railway Police	245
Police supplied to Railways	11,402
Police supplied to public departments, private companies and persons	9,130
Cash receipts under the Arms Act	2,839
Fees, fines and forfeitures	16,582
Recoveries of overpayments	5,059
Collection of payments for services rendered	3,868
Miscellaneous	35,184
<i>Deduct—Refunds</i>	—134
Total ..	84,175

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.

Actuals
for
1940-41.
Rs.F.—Civil Administration—*contd.*

XXIV.—Ports and Pilotage—

A.—Major Ports—

(1) Bengal Pilot Service—

Pilot receipts 14,45,361

Miscellaneous 39,500

(2) Other receipts—

Survey fees 1,24,143

Fees for engagement and discharge of seamen 1,63,415

Fees for registration of vessels 5,530

Examination fees and miscellaneous 1,49,137

Deduct—Refunds —4,865

Total .. 19,25,251

XXV.—Lighthouses and Lightships—

Light dues 4,33,242

Contributions 1,12,006

Miscellaneous 2,19,192

Deduct—Refunds —4,881

Total .. 7,59,559

XXVI.—Education—

A.—University—

Fees, Government Arts Colleges 25,931

B.—Secondary—

Fees, Government Secondary Schools 50,538

C.—Primary—

Fees, Government Primary Schools 319

D.—Special—

Fees and other receipts, Government Special Schools 8,513

E.—General—

Contributions 88,296

Income from endowments 1,435

Recoveries of overpayments 49

Collection of payments for services rendered 1,639

Miscellaneous 37,624

Deduct—Refunds —127

Total .. 2,23,377

Miscellaneous receipts	176
Total	176

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
F.—Civil Administration—<i>contd.</i>	
XXXII.—Industries—	
Industries	2,667
Indian School of Mines	26,976
Recoveries of overpayments	34
Collection of payments for services rendered	5,777
Receipts in England	19
<i>Deduct</i> —Refunds	—138
Total ..	
	35,335
XXXIII.—Aviation—	
Aviation receipts	1,53,933
Receipts in England	667
Loss or gain by exchange	3
<i>Deduct</i> —Refunds	—217
Total ..	
	1,54,386
XXXIV.—Broadcasting—	
Licence fees	11,53,032
Other receipts	2,99,673
<i>Deduct</i> —Refunds	—3,447
Total ..	
	14,55,318
XXXV.—Indian Stores Department—	
Fees on account of purchase of stores	12,42,112
Fees on account of inspection of stores purchased through the Department	2,73,225
Fees on account of inspection of stores not purchased through the Department	2,98,556
Testing fees recovered by the Government Test House	98,457
Testing and inspection fees recovered by the Metallurgical Inspectorate	5,49,748
Other miscellaneous receipts	86,621
<i>Deduct</i> —Refunds	—5,30,564
Total ..	
	20,18,155

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
F.—Civil Administration—<i>concl'd.</i>	
XXXVI.—Miscellaneous Departments—	
Labour and Emigration—	
Emigration fees	65,609
Fees for registration of Trade Unions	59
Statistics—Census	43,733
Miscellaneous—	
Registration of Accountants	46,522
Examination fees	2,43,494
Patent fees	1,88,515
Sale of stores and materials	218
Fees for the inspection of steam boilers	11,301
Fees for the deposit and registration of Trade Marks	52,093
Registration of Joint Stock Companies	3,48,670
Administration of Indian Partnership Act, 1932	61
Miscellaneous	8,63,527
Fees realised under the Insurance Act, 1938	66,280
Receipts in England	3,549
Loss or gain by exchange	7
Deduct—Refunds	—34,877
Total ..	10,93,782
G.—Currency and Mint—	
XXXVII.—Currency—	
Share of surplus Profits of the Reserve Bank	19,39,887
Currency Note Press	23,23,079
Value of old Currency Notes assumed to be no longer in circulation	85,955
Value of unclaimed Currency Notes	11,712
Miscellaneous	5,416
Deduct—Refunds	—5,649
Total ..	43,69,400
XXXVIII.—Mint—	
Profit on circulation of bronze and copper coins	20,67,220
Profit on circulation of nickel coins	1,24,43,783
Fees for coining dollars, etc.	49,710
Assay fees	74,989
Other gain on silver coinage operations	5,734
Miscellaneous	4,59,015
Deduct—Refunds	—294
Total ..	1,51,00,157

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.	Actuals for 1940-41. Rs.
H.—Civil Works and Miscellaneous Public Improvements—	
XXXIX.—Civil Works—	
Rents	23,60,074
Ferry receipts	35,641
Recoveries of expenditure	4,85,023
Miscellaneous	7,19,782
<i>Deduct—Refunds</i>	—16,813
Total ..	35,83,707
J.—Miscellaneous—	
XLII.—Receipts from Indian States—	
Receipts from Indian States	63,53,118
<i>Deduct—Refunds</i>	—13,836
Total ..	63,39,282
XLIV.—Receipts in aid of Superannuation—	
Receipts of the Military Orphan Fund	1,35,211
Subscriptions under the Indian Civil Service (Non-European Members) Family Pension Rules	1,20,602
Subscriptions under the Superior Services (India) Family Pension (untransferred) Rules	44,885
Contributions for pensions and gratuities	15,51,830
Deductions for Marine Pension Fund	11,908
Miscellaneous	4,396
Receipts in England	1,91,814
Loss or gain by exchange	343
<i>Deduct—Refunds</i>	—1,951
Total ..	20,59,038
XLV.—Stationery and Printing—	
Stationery receipts	18,74,746
Sale of plain paper used with stamps	13,996
Sale of Gazettes and other Government publications	3,44,250
Other Press Receipts	1,11,309
Receipts in England	11,278
Loss or gain by exchange	24
<i>Deduct—Refunds</i>	—64,760
Total ..	22,90,843

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*contd.*

Heads.

Actuals
for
1940-41.
Rs.J.—Miscellaneous—*concl'd.*

XLVI.—Miscellaneous—

Net gain by exchange on remittance transactions	6,51,339
Unclaimed deposits	1,14,103
Fees for Government audit	2,83,680
Receipts arising out of the Military Land Scheme, Bombay	7,83,623
Recoveries of overpayments	52,235
Collection of payments for services rendered	3,03,033
Other receipts—	
Sale of old stores and materials	25,411
Rents, rates and taxes	70,622
Naturalisation, passport and copyright fees	80,983
Other fees, fines and forfeitures	1,49,605
Interest on cemetery endowments	33,256
Gain by exchange on local transactions	16,952
Contributions	23,300
Miscellaneous	33,63,392
Receipts in England	4,53,151
Loss or gain by exchange	797
<i>D. Ltd.—Refunds</i>	—5,81,904
Total	58,33,666

K.—Defence Services—

XLVII.—Defence Receipts—Effective—

III.—War measures chargeable to Indian Revenues—

A.—Receipts in India	73,13,865
B.—Receipts in England	3,237
Total	73,17,102

XLVIII.—Defence Receipts—Non-effective—

A.—Receipts in India—

I.—Army	8,96,725
II.—Air Forces	9
III.—Royal Indian Navy	—61

B.—Receipts in England—

I.—Army	36,05,529
III.—Royal Indian Navy	14,086

Total .. 46,06,289

No. 4.—DETAILED ACCOUNT OF REVENUE BY MINOR HEADS—*concl'd.*

Heads.								Actuals for 1940-41. Rs.
M.—Extraordinary Items—								
LI.—Extraordinary Receipts—								
Annuity receipts from Government of Burma	--	--	--	--	--	--	..	2,24,55,984
Other items	--	--	--	--	--	--	..	2,453
Total								.. 2,24,58,417
LII.—Receipts connected with the War, 1939—								
Fees for the purchase of stores through the Department of Supply	--	--	--	--	--	--	..	15,23,760
Fees levied by the Custodian of Enemy Property	--	--	--	--	--	--	..	553
Miscellaneous	--	--	--	--	--	--	..	2,54,354
Insurance premia under the War Risk (Goods) Insurance Scheme	--	--	--	--	--	--	..	30,30,967
Receipts in England	--	--	--	--	--	--	..	1,848
Loss or gain by exchange	--	--	--	--	--	--	..	3
Deduct—Refunds	--	--	--	--	--	--	..	—1,322
Total								.. 48,10,163
LII-A.—Transfer from Revenue Reserve Fund								
								.. 7,77,16,233
Total								.. 7,77,16,233

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
A.—Direct Demands on the Revenue—			
1.—Customs—			
Sea Customs, charges at the Ports ..	2,02,358	65,04,584	67,06,942
Land Customs, charges	25,642	12,70,769	12,96,411
Assignments and Compensations ..	1,98,396	11,357	2,09,753
Charges in England	26,299	13,433	39,732
Loss or gain by exchange	45	32	77
Total ..	4,52,740	78,00,175	82,52,915
2.—Central Excise Duties—			
Charges on collection of Excise Duty on Sugar ..	..	4,642	4,642
Payments to Indian States of share of Match Excise Duty	10,07,517	..	10,07,517
Amount payable to the Salt Department for share of the cost of combined Central Excise and Salt Department .. .. .	..	11,39,684	11,39,684
Payments of the net proceeds of the Excise Duty on Coal and Coke to the Coal Mines Stowing Board .. .. .	..	9,36,408	9,36,408
Total ..	10,07,517	20,80,734	30,88,251
3.—Corporation Tax—			
Collection of Corporation Tax	30,227	12,31,505	12,61,732
Total ..	30,227	12,31,505	12,61,732
4.—Taxes on Income other than Corporation Tax—			
Collection of Income Tax	1,37,145	77,19,448	78,56,593
Other charges .. .. .	..	1	1
Deduct—Proportionate charges transferred to 3.—Corporation Tax	—30,227	—12,31,505	—12,61,732
Charges in England	7,526	39,163	46,689
Loss or gain by exchange	15	69	84
Total ..	1,14,459	65,27,176	66,41,635
5.—Salt—			
A.—Charges of the Northern India Salt and Central Excises Department—			
Direction	31,120	1,01,352	1,32,472
Manufacture and sale .. .. .	..	15,81,124	15,81,124
Engineering Section .. .. .	..	1,85,684	1,85,684
Medical Establishments .. .. .	..	27,606	27,606
Contribution to the Renewals Reserve Fund ..	..	1,30,000	1,30,000
Renewals and Replacements .. ..	..	65,685	65,685
Deduct—Amount met from the Renewals Reserve Fund .. .. .	..	—65,685	—65,685

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads. I	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
A.—Direct Demands on the Revenue—<i>contd.</i>			
5.—Salt—<i>concl'd.</i>			
A.—Charges of the Northern India Salt and Central Excises Department—<i>concl'd.</i>			
Cost of Accounts and Audit	1,589	34,906	36,495
Pensionary charges and contributions to Provident Funds	1,694	54,059	55,753
Preventive Establishments .. ..	..	8,80,424	8,80,424
Interest on capital	3,92,586	..	3,92,586
Royalties and compensations	34,22,062	..	34,22,062
Charges in England	6,600	12,538	19,138
Loss or gain by exchange	11	21	32
<i>Deduct</i> —Share debitable to 2.—Central Excise Duties			
	..	—5,34,965	—5,34,965
<i>Deduct</i> —Contribution from private parties			
	..	—1,748	—1,748
B.—Charges of Salt and Central Excises in Provinces—			
Direction	66,988	45,21,907	45,88,895
Preventive Establishments .. ..	..	1,73,175	1,73,175
Medical Establishments .. ..	..	15,365	15,365
Salt purchase and freight .. ..	..	4,87,413	4,87,413
Cost of printing banderols .. ..	..	4,56,391	4,56,391
Works .. ..	..	16,957	16,957
Royalties and compensations	5,63,167	18,938	5,82,105
<i>Deduct</i> —Share debitable to 2.—Central Excise Duties			
	..	—6,04,719	—6,04,719
<i>Deduct</i> —Charges recovered from the Customs Department			
	—4,000	—18,97,000	—19,01,000
<i>Deduct</i> —Contribution from private parties			
	..	—433	—433
Total	44,81,817	56,58,995	1,01,40,812
6.—Opium—			
Superintendence and other Establishments in the United Provinces			
	26,958	1,32,049	1,59,007
Ghazipur Opium Factory .. ..	..	1,88,959	1,88,959
Payments for special cultivation in Malwa .. ..	..	11,32,487	11,32,487
Payments to cultivators in the United Provinces .. ..	..	4,82,512	4,82,512
Compensations	1,15,564	..	1,15,564
Miscellaneous opium charges in Calcutta .. ..	..	5,360	5,360
Neemuch Opium Factory .. ..	..	2,39,056	2,39,056
Miscellaneous .. ..	..	332	332
Charges in England	4,800	9,724	14,524
Loss or gain by exchange	10	17	27
Total	1,47,332	21,90,496	23,37,828

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
A.—Direct Demands on the Revenue—<i>contd.</i>			
7.—Land Revenue—			
Charges of administration	1,59,772	40,374	2,00,146
Charges on account of land revenue collections ..	2,978	4,301	7,279
Survey, Settlement and Record operations ..	53,204	42,360	95,564
Land Records	1,18,814	81,488	2,00,302
Assignments and compensations	40,119	5,381	45,500
Charges in England	6,143	..	6,143
Loss or gain by exchange	12	..	12
Total ..	3,81,042	1,73,904	5,54,946
8.—Provincial Excise—			
District Executive Establishment	20,662	86,383	1,07,045
Distilleries	3,158	..	3,158
Cost of opium supplied to Provincial Excise Department	8,730	2,53,897	2,62,627
Compensations	27,510	1,33,143	1,60,653
Purchase of Ganja and other drugs .. ..	..	25	25
Excise Bureau	10,000	..	10,000
Total ..	70,060	4,73,448	5,43,508
9.—Stamps—			
A.—Non-Judicial—			
Superintendence .. ..	..	1,367	1,367
Central Stamp Office at Calcutta .. ..	..	—1,826	—1,826
Charges for the sale of stamps	1,784	7,504	9,288
Cost of stamps supplied from Central Stamp Stores	267	3,017	3,284
B.—Judicial—			
Charges for the sale of stamps	689	4,619	5,308
Cost of stamps supplied from Central Stamp Stores	180	1,107	1,287
C.—General—			
Security Printing, India—			
Capital Account—			
Plant and machinery .. ..	..	1,618	1,618
Minor equipment .. ..	..	334	334
Miscellaneous .. ..	..	—123	—123
Deduct—Depreciation .. ..	..	—64,524	—64,524
Charges in England .. ..	..	6,775	6,775
Loss or gain by exchange .. ..	..	12	12
Revenue Account—			
Working expenses	55,135	25,01,282	25,56,417
Interest on capital	1,44,740	..	1,44,740
Total ..	2,02,795	24,61,162	26,63,957

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
A.—Direct Demands on the Revenue—<i>concl'd.</i>			
10.—Forest—			
General Direction	43,976	10,000	53,976
Forest Research Institute	1,81,741	5,64,710	7,46,451
Conservancy and Works	81,916	11,73,103	12,55,019
Establishment	61,199	1,84,258	2,45,457
Charges in England	63,528	13,048	77,176
Loss or gain by exchange	110	27	137
Total ..	4,32,470	19,45,746	23,78,216
11.—Registration—			
District charges	3,781	6,669	10,450
Total ..	3,781	6,669	10,450
12.—Charges on account of Motor Vehicles Acts—			
Charges of collection .. ..	..	31,466	31,466
Compensations to local bodies, etc. .. ..	..	2,45,314	2,45,314
Total ..	..	2,76,780	2,76,780
13.—Other Taxes and Duties—			
Entertainment Tax .. ..	..	3,340	3,340
Total ..	..	3,340	3,340
AA.—Principal Revenue Heads—			
Capital Outlay on Salt Works within the Revenue Account—			
5-A.—Capital Outlay on Salt Works—			
Works .. ..	..	36,002	36,002
Plant and machinery .. ..	..	9,435	9,435
Total ..	..	45,437	45,437
B.—Railway Revenue Account—			
15-A.—State Railways—			
Commercial Lines—			
Interest on Debt	26,39,78,157	2,63,064	26,42,41,221
Interest on Capital contributed by Companies and Indian States	97,96,877	..	97,96,877
Total ..	27,37,75,034	2,63,064	27,40,38,098

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads.					Actuals for 1940-41.		Total.
1					Non-voted.	Voted.	4
					2	3	
					Rs.	Rs.	Rs.
B.—Railway Revenue Account—concl'd.							
15-B.—State Railways—							
Strategic Lines—							
Interest on Debt					1,27,39,843	..	1,27,39,843
Total ..					1,27,39,843	..	1,27,39,843
15-C.—Subsidised Companies—							
Land .. ..					..	1,23,349	1,23,349
Subsidy .. ..					..	5,33,103	5,33,103
Total ..					..	6,56,452	6,56,452
15-D.—Miscellaneous Railway Expenditure—							
Commercial Lines—							
Railway Board					4,77,845	9,65,943	14,43,788
Inspection					1,67,551	48,316	2,15,867
Audit					2,01,485	14,80,498	16,81,983
Controller of Railway Accounts ..					48,626	1,42,821	1,91,447
Railway Rates Advisory Committee ..					..	75,385	75,385
Chief Mining Engineer					3,27,097	—3,86,755	—59,658
Timber Advisory Office					2,498	545	3,043
Chief Controller of Standardization ..					1,41,501	2,76,348	4,17,849
Miscellaneous Establishments and charges ..					73,562	1,55,596	2,29,158
Pensionary Charges					9,82,348	4,59,815	14,42,163
Surveys .. ..					..	—1,87,874	—1,87,874
Suspense .. ..					..	—9,935	—9,935
Total ..					24,22,513	30,20,703	54,43,216
15-E.—Miscellaneous Railway Expenditure—							
Strategic Lines—							
Inspection					6,078	2,401	8,479
Audit					2,987	20,281	23,268
Total ..					9,065	22,682	31,747
15-F.—Transfer to Railway Reserve Fund ..							
Total ..					..	6,30,06,506	6,30,06,506
C.—Revenue Account of Irrigation, Navigation, Embankment and Drainage Works—							
17.—Interest on Works for which Capital Accounts are kept—							
Irrigation Works					7,04,414	..	7,04,414
Total ..					7,04,414	..	7,04,414

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	

C.—Revenue Account of Irrigation, etc.—concl'd.

18.—Other Revenue Expenditure financed from Ordinary Revenues—

A.—Irrigation Works—

(1) Works for which no Capital Accounts are kept—

Works	16,224	..	16,224
Maintenance and Repairs	20,218	..	20,218
Establishment	35,247	170	35,417
Tools and Plant	—1,546	..	—1,546
Suspense	—22,457	..	—22,457
Charges in England	2,133	..	2,133
Loss or gain by exchange	4	..	4

(2) Miscellaneous Expenditure—

Establishment	13,044	1,07,962	1,21,006
Tools and Plant .. .. .	..	41	41
Other charges .. .. .	..	9,923	9,923
Grants-in-Aid	2,124	—22,500	—20,376
Charges in England	4,333	2,133	6,466
Loss or gain by exchange	7	4	11

B.—Navigation, Embankment and Drainage Works—

(1) Works for which no Capital Accounts are kept—

Works	647	..	647
Maintenance and Repairs	7,195	1,002	8,197
Establishment .. .. .	..	150	150
Tools and Plant .. .. .	..	15	15

(2) Miscellaneous Expenditure—

Establishment	189	189
Tools and Plant	19	19
Other charges	1,262	1,262

Total ..	77,173	1,00,370	1,77,543
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No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
C.—Capital Account of Irrigation, Navigation, Embankment and Drainage Works within the Revenue Account—			
19.—Construction of Irrigation, Navigation, Embankment and Drainage Works—			
B.—Financed from Ordinary Revenues—			
Irrigation Works	32,133	..	32,133
Total ..	32,133	..	32,133
D.—Posts and Telegraphs Revenue Account—			
20.—Posts and Telegraphs—			
Interest on Debt—			
Interest on Capital Outlay	68,95,411	..	68,95,411
Total ..	68,95,411	..	68,95,411
DD.—Posts and Telegraphs Capital Account within the Revenue Account—			
21.—Capital Outlay on Posts and Telegraphs—			
Amount transferred from “69.—Capital Outlay on Posts and Telegraphs—A.—Capital Outlay on New Assets” .. .. .	..	46,928	46,928
Total ..	..	46,928	46,928
E.—Debt Services—			
22.—Interest on Debt and Other Obligations—			
A.—Interest on Ordinary Debt—			
(i) RUPEE DEBT—			
1. Interest on Permanent Loans	17,99,47,189	..	17,99,47,189
2. Discount on Loans	66,09,564	..	66,09,564
3. Floating Loans—			
Discount on Treasury Bills	60,11,452	..	60,11,452
Interest on other Floating Loans ..	3,07,945	..	3,07,945
4. Other Items—			
Expenditure connected with the issue of new loans .. .. .	..	4,09,323	4,09,323
Management of Debt .. .. .	..	9,10,009	9,10,009
Miscellaneous .. .. .	..	17,990	17,990
(ii) STERLING DEBT—			
Interest on Loans contracted in England under various Acts	11,81,48,313	..	11,81,48,313
Interest portion of Annuities created in purchase of Railways	1,61,93,986	..	1,61,93,986

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
E.—Debt Services—contd.			
22.—Interest on Debt and Other Obligations—contd.			
A.—Interest on Ordinary Debt—contd.			
(ii) STERLING DEBT—concl'd.			
Interest on outstanding liabilities of Railway Companies taken over on purchase or termination of contract	1,13,42,809	..	1,13,42,809
Interest on Sterling Loans repatriated to India	85,38,937	..	85,38,937
Discount on Loans	46,27,180	..	46,27,180
Management of Debt .. .. .	..	8,40,070	8,40,070
Other Items—			
Difference between par value and cost of India Bonds purchased for cancellation	4,99,543	..	4,99,543
Stamp duty on transfers and powers of Attorney, etc. .. .. .	..	48,961	48,961
Loss or gain by exchange	2,62,281	1,989	2,64,270
B.—Interest on Unfunded Debt—			
1. Special Loans—			
Interest on Loans from the late King of Oudh	6,99,378	..	6,99,378
Interest on other Special Loans	35,160	..	35,160
2. Treasury Notes of Service and other Funds			
.. .. .	2,865	..	2,865
3. Deposits of Service Funds bearing interest—			
Interest on Bengal Uncovenanted Service Family Pension Fund	3,00,166	..	3,00,166
Interest on Bombay Family Pension Fund of Government Servants (Widows' Pension Branch)	1,33,347	..	1,33,347
Interest on Bengal and Madras Service Family Pension Fund	69,133	..	69,133
Interest on Madras Military Assistant Surgeons' Fund	15,195	..	15,195
4. Savings Bank Deposits—			
Interest on Post Office Savings Bank Deposits	92,89,000	..	92,89,000
Interest on Post Office Cash Certificates	1,53,88,307	..	1,53,88,307
Payments to Post Office for Savings Bank, Cash Certificate and Defence Savings Certificate work .. .. .	..	57,58,279	57,58,279
5. State Provident Funds—			
Interest on General Provident Fund	36,01,993	..	36,01,993
Interest on Indian Civil Service Provident Fund	72,330	..	72,330
Interest on Indian Civil Service (Non-European Members) Provident Fund	2,359	..	2,359
Interest on Defence Savings Provident Fund	19,794	..	19,794
Interest on Defence Savings Railway Provident Fund	1,821	..	1,821

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
E.—Debt Services—<i>contd.</i>			
22.—Interest on Debt and Other Obligations—<i>contd.</i>			
B.—Interest on Unfunded Debt—<i>concl.</i>			
5. State Provident Funds—<i>concl.</i>			
Interest on Defence Services Officers' Provident Fund	1,24,219	..	1,24,219
Interest on Indian Ordnance Department Provident Fund	2,76,056	..	2,76,056
Interest on Military Engineering Services Provident Fund	1,057	..	1,057
Interest on Contributory Provident Fund ..	1,65,291	..	1,65,291
Interest on Deposits in State Railway Provident Institution	1,48,39,122	..	1,48,39,122
Interest on Company Railways' Provident Fund	98,19,821	..	98,19,821
Interest on other Miscellaneous Provident Funds	1,79,018	..	1,79,018
6. Special Deposit Accounts—			
Interest on General Family Pension Fund ..	176	..	176
Interest on Hindu Family Annuity Fund ..	1,362	..	1,362
Interest on Bengal Christian Family Pension Fund	85	..	85
Interest on Bombay Family Pension Fund of Government Servants, Life Assurance Branch	875	..	875
Interest on Postal Insurance and Life Annuity Fund	31,69,501	..	31,69,501
Interest on Cemetery Endowment Fund ..	35,688	..	35,688
Interest on Railway Staff Benefit Fund ..	15,050	..	15,050
Interest on Indian Railway Conference Association Employees' Provident Fund	302	..	302
Payments in England—			
Interests on balances of the Indian Civil Service Family Pension Fund	5,45,229	..	5,45,229
Interest on balances of the Indian Military Service Family Pension Fund	9,07,805	..	9,07,805
Interest on balances of the Indian Military Widows' and Orphans' Fund ..	93,734	..	93,734
Loss or gain by exchange	2,705	..	2,705
C.—Interest on Other Obligations—			
Interest on Depreciation Reserve and other Reserve Funds—			
Interest on Railway Reserve Fund ..	11,92,688	..	11,92,688
Interest on Depreciation Reserve Fund—Railways	1,47,63,295	..	1,47,63,295
Interest on Renewals Reserve Fund—Northern India Salt Revenue	1,16,014	..	1,16,014
Interest on Renewals Reserve Fund—Posts and Telegraphs Department ..	8,66,046	..	8,66,046
Interest on General Reserve Fund—Lighthouses and Lightships	1,56,952	..	1,56,952
Interest on Depreciation Reserve Fund—Lighthouses and Lightships	58,630	..	58,630

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
E.—Debt Services—concl'd.			
22.—Interest on Debt and Other Obligations—concl'd.			
C.—Interest on Other Obligations—concl'd.			
Other Items—			
Miscellaneous	31,973	..	31,973
Payments in England—			
Interest on Bengal and North Western Rail- way 5 per cent. Debenture Stock Discount			
Sinking Fund	26,311	..	26,311
Loss or gain by exchange	46	..	46
D.—Transfers—			
<i>Deduct—</i>			
Interest transferred to Commercial Depart- ments	—20,52,32,462	..	—20,52,32,462
Interest paid by Provincial Governments ..	—5,23,70,576	..	—5,23,70,576
Interest portion of equated payments on ac- count of commuted value of pensions ..	—22,83,055	..	—22,83,055
England—			
Interest transferred to Commercial Depart- ments	—7,96,28,242	..	—7,96,28,242
Loss or gain by exchange	—1,38,484	..	—1,38,484
Total ..	8,98,56,279	79,86,621	9,78,42,900
23.—Appropriation for Reduction or Avoidance of Debt—			
Sinking Funds	95,04,000	..	95,04,000
Other Appropriations	2,04,96,000	..	2,04,96,000
Total ..	3,00,00,000	..	3,00,00,000
F.—Civil Administration—			
25.—General Administration—			
A.—Heads of Provinces (including Governor General, Executive Council and Ministers)—			
Salary of the Governor General	2,50,800	..	2,50,800
Secretarial staff of Governor General ..	4,80,166	..	4,80,166
Staff and household of Governor General ..	7,50,610	..	7,50,610
Sumptuary allowance of Governor General	45,000	..	45,000
State conveyance and motors of the Governor General	39,806	..	39,806
Expenditure from Contract Allowance ..	1,65,846	..	1,65,846
Tour Expenses	6,67,044	..	6,67,044
Chief Commissioners	4,63,083	1,08,854	5,71,937
Executive Council	4,81,125	1,28,412	6,09,537

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Head.	Actuals for 1940-41.		Total
	Non-voted.	Voted.	
	2 Rs.	3 Rs.	4 Rs.
F.—Civil Administration—contd.			
25.—General Administration—concl'd.			
B.—Legislative Bodies—			
Council of State .. .. .	..	1,14,914	1,14,914
Indian Legislative Assembly	54,739	2,84,097	3,38,836
Legislative Assembly Department .. .. .	..	3,67,415	3,67,415
Elections for Legislature .. .. .	..	5,458	5,458
C.—Secretariat and Headquarters Establishments—			
Civil Secretariats	53,81,194	39,63,986	93,45,180
Public Service Commission	4,63,133	..	4,63,133
E.—District Administration—			
General Establishments	6,35,163	4,20,857	10,56,020
Sub-Divisional Establishments	2,63,107	9,611	2,72,718
Other Establishments	64,199	..	64,199
G.—Miscellaneous—			
Payments to other Governments, Departments, etc., connected with administration of Agency Subjects and management of Treasuries .. .. .	..	1,06,962	1,06,962
Payment to the Crown Department on account of work done or services rendered to the Central Government .. .. .	..	3,882	3,882
Miscellaneous	1,84,285	7,504	1,91,789
Deduct—Contributions recoverable from other Governments, Departments, etc.	—3,50,000	..	—3,50,000
H.—Charges in England—			
A.—Secretary of State for India—			
Payments to His Majesty's Exchequer towards expenses of the departments of the Secretary of State for India	13,60,000	..	13,60,000
Other items	3,437	71,789	75,226
Loss or gain by exchange	2,169	124	2,293
B.—High Commissioner for India—			
Salaries and Expenses of the High Commissioner's Department	8,67,299	19,35,138	28,02,437
Other Items	4,34,680	31,816	4,66,496
Loss or gain by exchange	2,447	3,437	5,884
Total	1,27,09,332	75,64,256	2,02,73,588
26.—Audit—			
Auditor General	58,056	3,18,768	3,76,824
Officers of the Indian Audit Department	8,35,930	16,79,676	25,15,606
Account and Audit Offices	24,807	1,22,55,744	1,22,80,551
Works .. .. .	..	33,907	33,907
Deduct—Establishment charges recovered from other Governments, Departments, etc.	—2,67,729	—52,21,046	—54,88,775
Charges in England	1,78,888	14,799	1,93,687
Loss or gain by exchange	312	26	338
Total	8,30,264	90,81,874	99,12,138

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads.	Actuals for 1940-41.		Total.
	Non-voted.	Voted.	
	2 Rs.	3 Rs.	4 Rs.
F.—Civil Administration—contd.			
27.—Administration of Justice—			
Federal Court	2,61,002	..	2,61,002
High Courts and Chief Courts .. .. .	..	66,660	66,660
Law Officers	37,765	74,672	1,12,437
Administrator General and Official Trustees .. .. .	..	886	886
Judicial Commissioner	31,490	4,917	36,407
Civil and Sessions Courts	64,835	2,09,542	2,65,377
Courts of Small Causes .. .. .	..	47,412	47,412
Criminal Courts	55,815	51,653	1,37,468
Charges in England	29,200	..	29,200
Loss or gain by exchange	53	..	53
Total	5,10,160	4,46,742	9,56,902
28.—Jails and Convict Settlements—			
Jails	2,03,964	1,58,372	3,62,336
Jail manufactures	15,286	17,032	32,318
Convict charges at Port Blair and Nicobars	1,24,503	26,88,873	27,63,376
Charges on account of persons confined or detained in jails outside the Province .. .. .	..	700	700
Charges in England	20,975	890	21,865
Loss or gain by exchange	36	2	38
Total	3,64,764	28,15,869	31,80,633
29.—Police—			
Presidency Police .. .. .	..	5,37,492	5,37,492
District Executive Force	10,33,137	20,35,452	30,68,589
Criminal Investigation Department .. .. .	..	63,395	63,395
Police Training Schools	2,550	3,500	6,050
Special Police .. .. .	..	3,47,151	3,47,151
Railway Police	1,33,489	39,183	1,72,672
Transfers to the General Police Fund .. .. .	..	16,980	16,980
Deduct—Amount met from the General Police Fund .. .. .	..	13,872	—13,872
Charges in England	27,063	1,238	28,301
Loss or gain by exchange	48	2	50
Total	11,96,287	30,30,521	42,26,808

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
Civil Administration—contd.			
39.—Ports and Pilotage—			
A.—Major Ports—			
(1) BENGAL PILOT SERVICE—			
Revenue Account—			
Pay and allowances of officers and men afloat	36,672	1,44,246	1,80,917
Victualling allowances of officers and men afloat	1,200	28,503	29,703
Purchase of stores .. .. .	..	1,12,355	1,12,355
Repairs and maintenance .. .. .	..	70,999	70,999
Pilotage and Pilot establishment	4,14,853	3,40,298	7,55,151
Charges in England	1,06,321	58,088	1,64,409
Loss or gain by exchange	191	106	297
(2) OTHER CHARGES—			
Direction (Headquarters Establishment)	54,894	6,913	61,807
Principal officers and their establishments	1,81,587	1,57,860	3,39,453
Shipping offices .. .. .	..	1,77,143	1,77,143
Ship Survey Department	1,77,612	60,847	2,38,459
Training Ships	22,709	2,93,414	3,16,123
Miscellaneous .. .. .	..	3,008	3,008
Deduct—Establishment charges recovered from other Government, Departments, etc.	—72,818	—29,229	—1,02,047
Charges in England .. .. .	..	11,118	11,118
Loss or gain by exchange	1	22	23
Total	9,23,222	14,35,696	23,58,918
40.—Lighthouses and Lightships—			
Capital Account—			
Lighthouses .. .. .	..	12,280	12,280
Lightships .. .. .	..	3,746	3,746
Tools, Plant and Equipment .. .. .	..	1,207	1,207
Stock and Suspense .. .. .	..	2,448	2,448
Deduct—Amount financed from General Reserve Fund—Lighthouses and Lightships .. .. .	..	—19,681	—19,681
Revenue Account—			
Direction .. .. .	..	64,738	64,738
Lighthouses—Working expenses	7,676	2,31,002	2,38,678
Lightships—Working expenses	2,400	2,11,365	2,13,765
Contribution to Depreciation Reserve Fund .. .. .	..	1,22,796	1,22,796
Contribution to the General Reserve Fund .. .. .	..	82,663	82,663
Cost of Accounts and Audit .. .. .	..	10,445	10,445
Pensionary and Provident Fund charges .. .. .	..	23,550	23,550
Miscellaneous .. .. .	..	17,500	17,500
Charges in England .. .. .	..	836	836
Loss or gain by exchange .. .. .	..	6	6
Total	10,076	7,64,901	7,74,977

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
F.—Civil Administration—<i>contd.</i>			
82.—Ecclesiastical—			
Ecclesiastical establishment	22,70,406	..	22,70,406
Cemetery establishment	1,42,205	..	1,42,205
Works	4,34,343	..	4,34,343
Miscellaneous ecclesiastical charges	1,32,972	..	1,32,972
Charges in England	5,23,786	..	5,23,786
Loss or gain by exchange	929	..	929
Deduct—Charges recovered from other Departments—Railway: Defence	—5,90,635	..	—5,90,635
Total	29,14,006	..	29,14,006
83.—Payments to Crown Representative—			
Political Department Secretariat	6,52,269	..	6,52,269
Education expenditure other than in areas	33,832	..	33,832
Civil Works	4,37,693	..	4,37,693
Political Pensions	21,75,299	..	21,75,299
Superannuation Allowances and Pensions	2,64,113	..	2,64,113
Rajputana	7,82,640	..	7,82,640
Central India	8,77,031	..	8,77,031
Hyderabad	8,13,705	..	8,13,705
Western India States Agency	15,10,556	..	15,10,556
Bangalore	13,75,269	..	13,75,269
Political Agencies	34,50,570	..	34,50,570
Miscellaneous	29,50,373	..	29,50,373
Charges in England	6,57,713	..	6,57,713
Loss or gain by exchange	1,156	..	1,156
Total Expenditure	1,59,82,219	..	1,59,82,219
Deduct—Receipts	—24,48,180	..	—24,48,180
Net Expenditure	1,35,34,039	..	1,35,34,039
84.—Tribal Areas—			
A.—Frontier Watch and Ward—			
Frontier Constabulary and Militia	1,36,53,114	..	1,36,53,114
Buildings and Communications	29,18,753	..	29,18,753
Miscellaneous	2,59,240	..	2,59,240

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Hoads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
F.—Civil Administration— <i>contd.</i>			
34.—Tribal Areas— <i>concl'd.</i>			
B.—Other Charges—			
Political and Administrative charges	13,71,421	..	13,71,421
Works	1,50,475	..	1,50,475
Allowances to Frontier Tribes	7,93,119	..	7,93,119
Entertainment charges	3,36,999	..	3,36,999
Transfer to Fund for Special Frontier Expenditure including Development	10,00,000	..	10,00,000
Payment to the Baluchistan Administration for administration of Tribal Areas	1,50,000	..	1,50,000
Miscellaneous expenditure	10,45,434	..	10,45,434
<i>Deduct</i> —Amount transferred from the Fund for Special Frontier expenditure including Development	—2,17,930	..	—2,17,930
<i>Deduct</i> —Charges recovered from other Governments, Departments, Indian States, Local Funds, etc.	—71,000	..	—71,000
C.—Charges in England	1,15,980	..	1,15,980
Loss or gain by exchange	226	..	226
Total	2,15,05,831	..	2,15,05,831

35.—External Affairs—

External Affairs Department Secretariat ..	9,21,269	..	9,21,269
Charges on account of Diplomatic and Consular Service in Iran	8,54,048	..	8,54,048
Other Diplomatic and Administrative charges ..	19,44,490	..	19,44,490
Subsidies	4,31,020	..	4,31,020
Entertainment charges	31,443	..	31,443
Special Diplomatic Expenditure	10,00,000	..	10,00,000
Refugees and State Prisoners	2,75,798	..	2,75,798
Miscellaneous	2,65,693	..	2,65,693
Works	26,481	..	26,481
Charges in England	12,68,418	..	12,68,418
Loss or gain by exchange	2,216	..	2,216
Total ..	70,20,876	..	70,20,876

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.			
	Non-voted. 2 Rs.	Voted. 3 Rs.				
F.—Civil Administration—contd.						
36.—Scientific Departments—						
Survey of India	5,24,388	16,16,110	21,40,498
Botanical Survey	18,047	37,779	55,826
Zoological Survey	55,622	1,10,083	1,65,708
Geological Survey	1,46,046	3,13,693	4,59,739
Exploration of Coal, Petroleum and Minerals	4,011	..	4,011
Mines Department	90,794	1,42,574	2,33,368
Archæological Department	74,692	10,21,239	10,95,931
Grants-in-aid and Donations to Scientific Societies and Institutes	2,52,980	2,52,980
Meteorological Department	78,556	20,08,132	20,86,688
Museums	24,687	24,687
Works	7,451	7,451
Charges in England	1,30,278	1,92,398	3,22,676
Loss or gain by exchange	236	345	581
Total			..	11,22,670	57,27,474	68,50,144
37.—Education—						
A.—University—						
Grants to Universities	9,25,226	9,25,226
Government Arts Colleges	86,093	86,093
Grants to non-Government Arts Colleges	97,672	97,672
Government Professional Colleges	1,540	1,540
B.—Secondary—						
Government Secondary Schools	1,00,434	2,38,124	3,38,558
Direct grants to non-Government Secondary Schools	26,000	3,36,386	3,62,386
Grants to local bodies for secondary education	1,04,321	1,04,321
C.—Primary—						
Government Primary Schools	1,43,228	83,780	2,27,008
Direct grants to non-Government Primary Schools	5,140	5,140
Grants to local bodies for primary education	2,19,257	2,19,257

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
F.—Civil Administration— <i>contd.</i>			
37.—Education— <i>concl'd.</i>			
D.—Special—			
Government Special Schools	..	68,206	68,206
Direct grants to non-Government Special Schools	9,743	12,743
E.—General—			
Directions	43,612	53,811
Inspection	15,743	97,028
Scholarships	28,928	43,685
Miscellaneous	6,092	24,577
Deduct—Contributions recoverable from other Governments, Departments, etc.	—6,000
F.—Charges in England—			
High Commissioner	4,800	24,657
Loss or gain by exchange	9	43
Total	..	3,78,589	26,85,951
38.—Medical—			
Medical establishment	3,95,438	6,59,471
Hospitals and dispensaries	2,10,222	7,25,588
Grants for medical purposes	7,71,084
Medical colleges and schools	2,000	18,540
Mental hospitals	10,531	12,769
Charges in England	47,357	53,435
Loss or gain by exchange	83	94
Total	..	6,65,631	22,40,981
39.—Public Health—			
Public health establishment	89,800	4,54,681
Grants for public health purposes	2,000	4,92,741
Expenses in connection with epidemic diseases	87,770	18,22,041
Bacteriological laboratories	77,625	2,77,628
Pasteur Institutes	5,426
Works	5,813
Charges in England	53,692	58,892
Loss or gain by exchange	95	107
Total	..	3,10,982	31,17,329

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
F.—Civil Administration— <i>contd.</i>			
40.—Agriculture—			
Superintendence .. .. .	..	2,40,466	2,40,466
Subordinate and expert staff	49,259	4,88,045	5,37,304
Experimental farms	24,287	95,107	1,19,394
Agricultural demonstration and propaganda, etc. ..	3,400	..	3,400
Agricultural experiments and research ..	33,813	13,823	47,636
Agricultural education .. .. .	..	1,49,741	1,49,741
Imperial Council of Agricultural Research Department	1,22,255	2,07,234	3,29,489
Scheme for the improvement of Agricultural Marketing in India	11,990	4,85,823	4,97,813
Block grant for transfer to Sugar Excise Fund ..	..	9,94,000	9,94,000
Grants-in-aid, Contributions, etc. .. ..	..	4,65,570	4,65,570
Payments of the net proceeds of the Agricultural Produce Cess to the Imperial Council of Agricultural Research	8,28,274	..	8,28,274
Other charges .. .. .	..	1,57,823	1,57,823
Charges in England	11,693	29,957	41,650
Loss or gain by exchange	24	64	88
Total ..	10,84,995	33,27,653	44,12,648
41.—Veterinary—			
Superintendence	3,540	33,561	37,102
Subordinate establishment	30,341	..	30,341
Hospitals and dispensaries	15,808	..	15,808
Other charges	21,622	7,65,674	7,87,296
Charges in England	4,800	45,000	49,800
Loss or gain by exchange	8	90	98
Total ..	76,119	8,44,325	9,20,444
42.—Co-operation—			
Superintendence .. .. .	..	52,783	52,783
Grants-in-aid .. .. .	..	11,800	11,800
Total ..	..	64,583	64,583
43.—Industries—			
Industries .. .. .	..	3,51,874	3,51,874
Indian School of Mines	421	1,96,319	1,96,740
Grants-in-aid .. .. .	..	6,06,539	6,06,539
Charges in England .. .. .	..	19,375	19,375
Loss or gain by exchange .. .. .	..	40	40
Total ..	421	11,74,147	11,74,568

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.	
	Non-voted. 2 Rs. .	Voted. 3 Rs.		
F.—Civil Administration— <i>contd.</i>				
44.—Aviation—				
Direction, Operation and Inspection	42	8,26,633	8,26,725	
Grants for Aviation purposes .. ..	..	5,70,920	5,70,920	
Special grants-in-aid from additional tax on petrol, etc. .. ..	..	3,55,576	3,55,576	
Appropriation to Civil Aviation Fund .. ..	..	3,62,600	3,62,600	
Appropriation to the Fund for Development of Civil Aviation .. ..	..	25,00,000	25,00,000	
<i>Debit</i> —Amount met from Civil Aviation Fund Works .. ..	..	—3,55,576	—3,55,576	
Special Services and Miscellaneous Expenditure ..	..	4,29,973	4,29,973	
Charges in England .. ..	..	24,05,196	24,05,196	
Loss or gain by exchange .. ..	..	7,72,592	7,72,592	
	..	1,428	1,428	
Total ..	42	78,69,392	78,69,434	
45.—Broadcasting—				
Headquarters establishments	10,868	1,99,066	2,09,934	
Broadcasting stations .. ..	..	22,86,006	22,86,006	
Other charges .. ..	..	5,16,449	5,16,449	
Charges in England .. ..	..	11,885	11,885	
Loss or gain by exchange .. ..	..	24	24	
Total ..	10,868	30,13,430	30,24,298	
46.—Indian Stores Department—				
Headquarters Establishment	35,038	5,84,513	6,19,551	
Purchases Circles .. ..	..	2,08,870	2,08,870	
Inspection Circles .. ..	..	6,57,382	6,57,382	
Government Test House .. ..	..	2,86,729	2,86,729	
Metallurgical Inspectorate .. ..	..	2,03,999	2,03,999	
Industrial Research Bureau .. ..	..	36,389	36,389	
Charges in England	7,810	7,104	14,914	
Loss or gain by exchange	14	21	35	
Total ..	42,862	19,85,007	20,27,869	
47.—Miscellaneous Departments—				
Labour and Emigration—				
Emigration	2,07,671	1,38,289	3,45,960	
Inspector of Factories .. ..	..	61	61	
Labour	34,974	26,393	61,372	
Inspection and Test—				
Explosives .. ..	..	1,89,651	1,89,651	
Inspector of Steam Boilers	6,760	13,060	19,820	

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
F.—Civil Administration—			
47.—Miscellaneous Departments—			
Statistics—			
Bureau of Commercial Intelligence including			
Statistics	55,204	7,66,764	8,21,968
Census	3,74,214	8,51,749	12,25,963
Provincial Statistics	1,880	600	2,480
Miscellaneous—			
Registration of Accountants .. .. .	..	26,492	26,492
Examinations	572	1,576	2,148
Superintendent of Insurance .. .. .	..	1,58,593	1,58,593
Imperial Library .. .. .	..	36,880	36,880
Controller of Patents and Designs	19,923	75,827	95,750
Indian War Memorial .. .. .	..	2,597	2,597
Registrar of Trade Marks	600	58,768	59,368
Registrar of Joint Stock Companies .. .. .	..	1,57,656	1,57,656
Administration of Indian Partnership Act, 1932	50	1,165	1,215
Miscellaneous .. .. .	..	3,500	3,500
Charges in England	55,888	34,870	90,758
Loss or gain by exchange	98	70	168
Total	7,57,834	25,44,566	33,02,400
FF.—Civil Administration—Capital Account within the Revenue Account—			
44-A.—Capital Outlay on Civil Aviation—			
A.—Civil Aviation—			
Works .. .. .	..	12,04,824	12,04,824
Equipment .. .. .	..	22,615	22,615
Establishment	33,793	21,139	54,932
B.—Meteorological—			
Works .. .. .	..	1,53,183	1,53,183
Charges in England	6,732	..	6,732
Loss or gain by exchange	12	..	12
Deduct—Receipts and Recoveries on Capital Account .. .. .	..	—728	—728
Deduct—Amount transferred from the Fund for the Development of Civil Aviation	—40,537	—14,01,033	—14,41,570
Total .. .. .	..	..	..
45-A.—Capital Outlay on Broadcasting—			
Works .. .. .	..	44,897	44,897
Equipment .. .. .	..	2,05,995	2,05,995
Installation Department .. .. .	..	61,803	61,803
Deduct—Amount met from the Fund for the Development of Broadcasting .. .. .	..	—3,12,695	—3,12,695
Total .. .. .	..	..	..

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—

contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.	
	Non-voted. 2 Rs.	Voted. 3 Rs.		
G.—Currency and Mint—				
48.—Currency—				
Currency Note Printing Press—				
1. Capital Account—				
Buildings .. ..	..	1,781	1,781
Plant and Machinery .. ..	..	73,030	73,030
Minor Equipment .. ..	..	975	975
Miscellaneous .. ..	..	769	769
Deduct— Depreciation .. ..	..	—67,231	—67,231
2. Revenue Account—				
(i) Working Expenses	18,006	31,93,125	32,11,131	
(ii) Interest on Capital	1,36,542	..	1,36,542	
Miscellaneous .. ..	..	15,10,731	15,10,731
Charges in England .. ..	..	87,241	87,241
Loss or gain by exchange .. ..	..	200	200
Total	1,54,548	48,00,641	49,55,189	
49.—Mint—				
Mint Master's Establishment and Contingencies	94,241	28,63,121	29,57,362	
Loss on Coinage .. ..	..	1,61,703	1,61,703
Purchase of local stores .. ..	..	13,57,032	13,57,032
Works .. ..	..	2,70,806	2,70,806
Charges in England	15,824	1,68,666	1,84,490	
Loss or gain by exchange	50	272	322	
Total	1,10,115	48,21,600	49,31,715	
H.—Civil Works and Miscellaneous Public Improvements—				
50.—Civil Works—				
Original Works—Buildings—				
Customs .. ..	..	7,15,336	7,15,336
Taxes on Income .. ..	..	31,131	31,131
Salt .. ..	..	3,601	3,601
Opium .. ..	..	861	861
Land Revenue	2,206	425	2,631	
Provincial Excise .. ..	..	—21	—21
Forest .. ..	..	12,880	12,880
General Administration	5,50,437	10,06,053	15,56,490	
Audit .. ..	..	1,27,954	1,27,954
Administration of Justice .. ..	..	7,159	7,159
Jails and Convict Settlements	1,47,580	50,001	1,97,581	
Police	59,522	24,090	83,612	
Ports and Pilotage .. ..	..	94,841	94,841
External Affairs	52,037	..	52,037	
Scientific Departments .. ..	..	4,47,985	4,47,985
Education other than European and Anglo-Indian Education				
Indian Education	98,350	43,292	1,41,642	
Medical	1,56,755	16,026	1,72,781	
Public Health .. ..	..	4,72,116	4,72,116
Agriculture	12,025	52,921	64,946	
Veterinary	187	51,174	51,361	
Industries .. ..	..	20,866	20,866
Mint .. ..	..	1,620	1,620
Civil Works	13,730	63,777	77,507	
Stationery and Printing .. ..	..	9,022	9,022
Miscellaneous Departments	4,846	36,039	40,885	
Carried over	10,97,675	32,89,140	43,86,824	

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
H.—Civil Works and Miscellaneous Public Improve- ments— <i>concl'd.</i>			
50.—Civil Works— <i>concl'd.</i>			
Brought forward ..	10,97,675	32,89,149	43,86,824
Original Works—Communications	26,988	3,23,236	3,50,274
Original Works—Miscellaneous	2,04,716	1,20,151	3,24,867
Repairs—			
Buildings	12,06,965	31,20,691	43,27,656
Communications	3,52,132	9,22,004	12,74,136
Miscellaneous	2,290	4,12,703	4,14,993
Petty construction and repairs by Civil Depart- ment .. ....	..	1,69,710	1,69,710
Establishment	8,38,329	12,09,138	20,47,467
Tools and Plant	24,452	2,05,748	2,30,200
Grants-in-aid	1,500	2,80,311	2,81,811
Suspense	3,41,616	—1,47,066	1,94,550
Block grant for transfer to Central Road Fund ..	..	1,64,00,000	1,64,00,000
Deduct—Amount met from Central Road Fund	—15,006	—91,442	—1,36,448
Deduct—Amount met from subventions from Central Road Fund .. ..	..	—4,26,622	—1,26,622
Deduct—Amount recovered from the Crown Representative's Department for works per- taining to that Department .. ..	..	—6,000	—6,000
Deduct—Amount transferred from the Fund for Economic Development and Improvement of Rural Areas	—1,195	—21,637	—22,832
Charges in England	48,393	13,681	62,077
Loss or gain by exchange	84	24	108
Total ..	40,98,939	2,57,73,837	2,98,72,776

J.—Miscellaneous—**51.—Famine—****A.—Famine Relief—**

Salaries and establishments .. ..	..	17,341	17,341
Relief Works—			
Communications .. ..	..	23,17,977	23,17,977
Irrigation Works .. ..	..	9,01,650	9,01,650
Other Works .. ..	..	4,175	4,175
Gratuitous Relief .. ..	..	24,360	24,360
Miscellaneous—			
Measures for protection of cattle	1,17,378	1,17,378

Total	33,82,881	33,82,881
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No. 5—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
Miscellaneous—contd.			
5.—Superannuation Allowances and Pensions—			
Superannuation and Retired Allowances ..	38,25,278	63,18,951	1,01,44,229
Equated payments of commuted value of pensions transferred from Capital (outside the Revenue Account)	15,77,081	30,13,876	45,90,957
Compassionate Allowances	70,417	1,94,915	2,65,332
Gratuities	22,685	41,026	63,711
Contributions for pensions and gratuities ..	..	388	388
Pensions for distinguished and meritorious services or for political considerations	3,38,811	3,722	3,42,533
Charitable Allowances	2,899	8	2,898
Pensions, etc., under the War Risks Compensation Scheme .. ..	..	25,968	25,968
Special pension connected with War, 1914 ..	..	13,377	13,377
Pensions to the dependents of deceased lascars (ex- German Ships) interned during the War in Germany .. ..	..	590	590
Donations to Service Funds .. ..	..	551	551
Donations to Provident Funds	24,729	2,00,268	2,24,997
Pensions of the Military Fund	4,561	..	4,561
Pensions of the Military Orphan Fund	15,731	..	15,731
Pensions of the Medical Retiring Fund	1,587	..	1,587
Pensions under the Indian Civil Service (Non-European Members) Family Pension Rules ..	49,572	..	49,572
Government contribution payable under the Indian Civil Service Family Pension Rules ..	2,492	..	2,492
Concession grants in respect of past contribution to Annuities	1,869	..	1,869
Covenanted Civil Service Pensions	1,29,046	..	1,29,046
Pensions of the Bengal Civil Fund	5,080	..	5,080
Pensions of the Madras Civil Fund	14,667	..	14,667
Pensions of the Bombay Civil Fund	4,276	..	4,276
Pensions under the Superior Services (India) Family Pensions (un-transferred) Rules ..	90,972	..	90,972
Charges in England	2,69,44,305	15,96,863	2,85,41,168
Loss or gain by exchange	22,901	2,750	25,651
Deduct—Actual amount of pensions recovered from other Governments	—2,28,62,300	—10,16,935	—2,38,79,235
Deduct—Pensionary charges transferred to Commercial Departments	—9,294	—1,05,690	—1,14,984
Total ..	1,02,77,356	1,02,90,628	2,05,67,984

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
J.—Miscellaneous— <i>concl'd.</i>			
56.—Stationery and Printing—			
I.—Stationery—			
Stationery offices and stores	25,135	14,14,690	14,39,825
Purchase of stationery stores .. ..	..	74,78,537	74,78,537
Stationery supplied by other Governments ..	..	720	720
Discount on plain paper used with stamps ..	220	299	519
<i>Deduct</i> —Value of stationery supplied to other Governments and paying departments ..	..	—44,58,144	—44,58,144
II.—Printing—			
Government presses	35,709	21,80,391	22,16,100
Printing at private presses .. ..	..	25,674	25,674
Lithography .. ..	..	2,008	2,008
Cost of printing work done by other Governments .. ..	..	81,030	81,030
<i>Deduct</i> —Cost of printing work done for other Governments and paying Departments ..	..	—32,67,402	—32,67,402
Charges in England .. ..	..	8,19,505	8,19,505
Loss or gain by exchange .. ..	..	1,427	1,427
Total ..	61,064	42,78,735	43,39,799
57.—Miscellaneous—			
Cost of books and periodicals .. ..	..	62,267	62,267
Donations for charitable purposes	1,397	6,470	7,867
Special Commissions of Enquiry	7,519	16,472	23,991
Pilgrimage beyond India	1,100	56,895	57,995
Petty establishments .. ..	..	20,594	20,594
Irrecoverable temporary loans and advances written off	946	1,587	2,533
Rents, rates and taxes .. ..	..	3,93,156	3,93,156
Contributions	1,500	3,17,000	3,18,500
Miscellaneous compensations	3,43,230	2,133	3,45,363
Kidderpore Orphananj Market (Bengal) ..	..	49,789	49,789
Miscellaneous Durbar Charges	50,978	..	50,978
Payments arising out of the Military Lands Scheme, Bombay	1,250	8,424	9,674
Expenditure on Air Raid precautions	36,791	8,40,132	8,76,923
Loss by exchange on local transactions ..	16,287	11,769	28,056
Miscellaneous and unforeseen charges	3,819	33,387	37,206
Soldiers' Boards	2,400	12,890	15,290
Works .. ..	..	13,549	13,549
Charges in England	10,783	3,12,389	3,23,172
Loss or gain by exchange	18	544	562
Total ..	4,78,018	21,59,447	26,37,465

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
JJ.—Miscellaneous—Capital Account within the Revenue Account—			
55-A.—Commutation of Pensions financed from Ordinary Revenues—			
Amount transferred from “ 83.—Payments of Commuted value of Pensions ”	10,79,271	—1,50,169	8,29,102
.. .. Total	10,79,271	—1,50,169	9,29,102
K.—Defence Services—			
58.—Defence Services—Effective—			
I.—Charges in India—			
- Normal cost of Defence Services	36,76,63,007	..	36,76,63,000
Lump provision for increase in prices	2,56,58,000	..	2,56,58,000
War measures chargeable to Indian revenues	26,63,01,228	..	26,63,01,228
II.—Charges in England—			
War measures chargeable to Indian revenues	46,829	..	46,829
.. .. Total	65,96,69,57	..	65,96,69,057
59.—Defence Services—Non-Effective—			
I.—Charges in India—			
1. Army	3,85,96,759	..	3,85,96,759
2. Air Forces	10,784	..	10,784
3. Royal Indian Navy	1,71,446	..	1,71,446
II.—Charges in England—			
1. Army	4,85,07,225	..	4,85,07,225
2. Air Forces	3,25,795	..	3,25,795
3. Royal Indian Navy	6,96,797	..	6,96,797
Loss or gain by exchange	86,138	..	86,138
.. .. Total	8,83,94,944	..	8,83,94,944

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
L.—Contributions and Miscellaneous Adjustments between Central and Provincial Governments—			
61.—Grants-in-aid to Provincial Governments—			
Grants-in-aid to the Government of United Provinces	25,00,000	..	25,00,000
Grants-in-aid to the Government of Assam ..	30,00,000	..	30,00,000
Grants-in-aid to the Government of North-West Frontier Province	1,00,00,000	..	1,00,00,000
Grants-in-aid to the Government of Orissa ..	43,00,000	..	43,00,000
Grants-in-aid to the Government of Sind ..	1,05,00,000	..	1,05,00,000
Grants-in-aid to the Government of Coorg ..	..	52,700	52,700
Total ..	3,03,00,000	52,700	3,03,52,700
62.—Miscellaneous Adjustments between Central and Provincial Governments—			
Contributions to the Provincial Governments on account of Agency functions in respect of Petroleum and Explosives Acts—			
Madras .. .. .	..	25,933	25,933
Bombay .. .. .	..	20,036	20,036
Bengal .. .. .	..	23,514	23,514
United Provinces.. .. .	..	16,931	16,931
Punjab .. .. .	..	6,579	6,579
Bihar .. .. .	..	11,719	11,719
Central Provinces and Berar .. .. .	..	9,753	9,753
Assam .. .. .	..	3,036	3,036
North-West Frontier Province .. .. .	..	539	539
Orissa .. .. .	..	1,653	1,653
Sind .. .. .	..	4,361	4,361
Total ..	..	1,24,054	1,24,054
M.—Extraordinary Items—			
63.—Extraordinary Charges—			
Charges in India	4,10,371	..	4,10,371
Total ..	4,10,371	..	4,10,371

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
contd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
II.—Extraordinary Items—concl'd.			
64.—Expenditure connected with the War, 1939—			
Department of Supply	49,26,330	..	49,26,330
Controller of Enemy Firms and Enemy Trading and Custodian of Enemy Property	4,15,370	..	4,15,370
Press Officers	7,61,688	..	7,61,688
Expenditure in connection with interned enemy subjects.. .. .	7,47,084	..	7,47,084
War Transport Board	38,842	..	38,842
Payments to Provinces for War expenditure incurred by them.. .. .	1,11,696	..	1,11,696
Miscellaneous	7,39,154	..	7,39,154
Tea Controller for India	25,639	..	25,639
Payments to War Risk (Goods) Insurance Fund	30,30,967	..	30,30,967
War Risks Goods Insurance Scheme	23,648	..	23,648
Deduct—amount met from the War Risk (Goods) Insurance Fund	—23,648	..	—23,648
Pensions paid to Widows and Dependants of Las- cars employed in ships registered in the United Kingdom	6,640	..	6,640
Pensions paid to the Widows and Dependants of Lascars employed in ships registered outside the United Kingdom	116	..	116
Scheme for the training of skilled artisans ..	3,40,154	..	3,40,154
Expenditure connected with National Service Labour Tribunals.. .. .	71,396	..	71,396
Charges in England—			
Secretary of State—			
Allotment of pay of officers	8,060	..	8,060
Other charges	1,09,727	..	1,09,727
High Commissioner—			
Allotment of pay of officers	26,200	..	26,200
Leave Salaries and Deputation pay	40,861	..	40,861
Sterling Overseas Pay	1,02,751	..	1,02,751
Losses due to Enemy action	2,19,662	..	2,19,662
Other charges	92,396	..	92,396
Loss or gain by exchange	1,045	..	1,045
Total	1,18,15,778	..	1,18,15,778

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS— *contd.*

Heads, 1	Actuals for 1940-41.		Total, 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
Capital Accounts outside the Revenue Account—			
BB.—Railway Capital Account outside the Revenue Account—			
67-A.—Construction of State Railways—Commercial—			
I. Preliminary Expenses .. .. .	..	7,45,716	7,45,716
II. Land .. .. .	..	—12,35,034	—12,35,034
III. Structural Engineering Works	910	60,05,035	60,05,945
IV. Equipment .. .. .	..	7,97,718	7,97,718
V. Rolling Stock .. .. .	..	42,86,010	42,86,010
VI. General Charges	23,499	7,21,320	7,44,819
VII. Collieries .. .. .	..	—7,18,262	—7,18,262
VIII. Miscellaneous .. .. .	..	11,18,825	11,18,825
IX. Suspense	29,611	1,12,96,593	1,13,26,204
X. Purchase of Railway Line .. .. .	..	9,77,491	9,77,491
Deduct—Receipts on Capital Account .. .. .	..	—5,97,361	—5,97,361
Total	54,020	2,33,98,051	2,34,52,071
67-B.—Construction of State Railways—Strategic—			
II. Land .. .. .	..	—34,543	—34,543
III. Structural Engineering Works .. .. .	..	75,106	75,106
IV. Equipment .. .. .	..	10,622	10,622
V. Rolling Stock .. .. .	..	—1,58,817	—1,58,817
VI. General Charges	21,284	35,029	56,313
IX. Suspense .. .. .	..	—2,65,796	—2,65,796
Deduct—Receipts on Capital Account .. .. .	..	—3,049	—3,049
Total	21,284	—3,41,448	—3,20,164
CC.—Capital Account of Irrigation, Navigation, Embankment and Drainage Works outside the Revenue Account—			
88.—Construction of Irrigation, Navigation, Embankment and Drainage Works—			
A.—Irrigation Works—			
(1) Productive—			
Works	22,851	..	22,851
Establishment	10,576	..	10,576
Tools and Plant	10	..	10
Deduct—Receipts and Recoveries on Capital Account	—2,157	..	—2,157
(2) Unproductive—			
Works	676	..	676
Establishment	178	..	178
Deduct—Amount financed from Ordinary Revenues	—32,133	..	—32,133
Total .. .. .	..	..	..

No. 5.—DETAILED ACCOUNT OF EXPENDITURE BY MINOR HEADS—
concl'd.

Heads. 1	Actuals for 1940-41.		Total. 4 Rs.
	Non-voted. 2 Rs.	Voted. 3 Rs.	
Capital Accounts outside the Revenue Account—concl'd.			
DD.—Posts and Telegraphs Capital Account outside the Revenue Account—			
69.—Capital Outlay on Posts and Telegraphs—			
A.—Capital outlay on New Assets .. ..	..	4,79,36,427	4,79,36,427
Deduct—Portion of capital outlay financed from ordinary revenues .. ..	..	—46,928	—46,928
Total ..	..	4,78,89,499	4,78,89,499
FF.—Civil Administration—Capital Account outside the Revenue Account—			
73.—Capital Outlay on Vizagapatam Port—			
Land .. ..	..	—16,649	—16,649
Works .. ..	..	9,671	9,671
Suspense .. ..	..	11,053	11,053
Total ..	..	4,075	4,075
HH.—Capital Account of Civil Works and Miscellaneous Public Improvements outside the Revenue Account—			
78.—Initial Expenditure on New Capital at Delhi—			
Works .. ..	..	11,33,419	11,33,419
Establishments .. ..	..	1,70,289	1,70,289
Tools and Plant .. ..	..	17,616	17,616
Total ..	..	13,21,324	13,21,324
JJ.—Miscellaneous Capital Account outside the Revenue Account—			
83.—Payments of commuted value of Pensions—			
(a) Payments in India	57,84,513	22,90,895	60,75,408
(b) Payments in England—			
Par Value	4,62,046	20,051	4,82,097
Loss or gain by exchange	803	35	838
Deduct—			
(1) Amount financed from ordinary revenues	—10,79,271	+1,50,169	—9,29,102
(2) Amount recovered from other Governments	—22,95,951	—9,41,586	—32,37,537
(3) Capital portion of equated payments out of revenue	—19,46,885	—34,68,714	—54,15,599
Total ..	—10,74,745	—19,49,150	—30,23,895

No. 6.—STATEMENT OF CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT DURING AND TO END OF THE YEAR.

Heads.						Expenditure during 1940-41. Rs.	Expenditure to end of 1940-41. Rs.
66.—Capital Outlay on the Security Printing Press—							
Land .. .. .	..	..	..	..	..	..	11,994
Buildings .. ..	..	..	..	..	..	..	29,79,391
Plant and Machinery	..	..	..	..	..	1,618	9,43,277
Minor Equipment	..	..	..	..	..	334	64,835
Miscellaneous ..	..	..	..	..	..	—123	50,039
Charges in England—							
Stores for India	..	..	..	..	..	6,775	14,617
Loss or gain by exchange	..	..	..	..	..	12	26
<i>Deduct</i> —Depreciation	..	..	..	..	..	—64,524	—15,42,443
Total						—55,908	25,27,736
<i>Deduct</i> —Expenditure financed from Ordinary Revenues						+55,908	—18,35,039
Net expenditure outside the revenue account						..	6,92,697
67-A.—Construction of State Railways—							
Commercial—							
State Railways worked by the State—							
East Indian .. ..	..	..	..	..	..	74,58,156	1,50,52,97,503 (a)
Eastern Bengal	..	..	..	..	..	2,13,19,515	53,89,61,575
Great Indian Peninsula	..	..	..	..	..	—1,21,44,252	1,12,90,93,000 (b)
North Western	..	..	..	..	..	—38,39,004	1,14,14,64,222 (c)
Railway Collieries	..	..	..	..	..	—3,00,371	1,67,52,836
Total						1,24,94,044	4,33,15,69,186

(a) Includes Rs. 13,31,203 and Rs. 7,04,039 transferred from Great Indian Peninsula and North Western Railways respectively.

(b) Includes Rs. 4,55,247 and excludes Rs. 13,31,203 transferred from and to North Western and East Indian Railways respectively.

(c) Excludes Rs. 6,37,648 and Rs. 3,84,729 transferred to East Indian and Great Indian Peninsula Railways respectively.

No. 6.—STATEMENT OF CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT DURING AND TO END OF THE YEAR—*contd.*

Heads.	Expenditure during 1940-41.	Expenditure to end of 1940-41.
	Rs.	Rs.
67-A.—Construction of State Railways— <i>concl'd.</i>		
Commercial—		
State Railways worked by Companies and Indian States—		
Assam Bengal	12,99,287	24,84,63,816
Bengal Nagpur	56,31,711	78,52,54,897
Bezwada Extension	—2,395	18,06,631
Bombay, Baroda and Central India	3,06,013	74,28,39,379
Jodhpur	64,421	1,33,66,933
Lucknow Bareilly (R. & K.)	1,74,525	2,68,02,190
Madras and Southern Mahratta	10,42,327	53,50,61,971
South Indian	16,45,970	46,41,26,914
Tirhoot (Bengal and N. Western)	7,74,252	10,43,60,258
Dhone Kurnool	5,452	27,93,428
Jorhat .. .. .	..	13,22,071
Total ..	1,09,41,563	2,92,61,98,488
Miscellaneous—		
Exchange	16,464	1,38,06,147
Total—Commercial	2,34,52,071	7,27,15,73,821(a)
Deduct—Capital contributed by Railway Companies towards outlay on State Railways .. .. .	..	—28,89,11,325(c)
Net Government Outlay	2,34,52,071	6,98,26,62,496
67-B.—Construction of State Railways—		
Strategic—		
North Western	—3,20,164	33,77,13,476(b)
68.—Construction of Irrigation, Navigation, Embankment and Drainage Works—		
A.—Irrigation Works—		
(1) Productive—		
Nasirabad Section of the Lloyd Barrage and Canals systems	31,280	1,08,61,867
Deduct—Outlay financed from ordinary revenues ..	—31,280	—64,814
Net expenditure outside the revenue account ..	..	1,07,97,053

(a) Difference of Rs. 2 is due to corrections made in the total figures.

(b) Excludes Rs. 70,518 and Rs. 66,391 transferred to Great Indian Peninsula and East Indian Railways respectively.

(c) Included in the figures shown against various Railways.

No. 6.—STATEMENT OF CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT DURING AND TO END OF THE YEAR—*contd.*

Heads.	Expenditure during 1940-41.	Expenditure to end of 1940-41.
	Rs.	Rs.
68.—Construction of Irrigation, Navigation, Embankment and Drainage Works—<i>concl.</i>		
A.—Irrigation Works—		
(2) Unproductive—		
Baluchistan—		
Pishin Canal	853	29,03,170
Nari Weir Canal .. .. .	..	6,28,454
Rajputana—		
Tank Projects .. .. .	..	28,39,516
Total ..	853	63,74,140
<i>Deduct</i> —Amount financed from ordinary revenues ..	—853	—63,74,140
Net expenditure outside the revenue account .. ..	..	..
Total Irrigation, etc., Works ..	..	1,07,97,053
69.—Capital outlay on Posts and Telegraphs—		
Post Office .. .. .	..	1,47,91,618
Telegraphs	9,20,106	11,74,41,062
Telephones	4,88,13,879	7,89,63,852
Radio	94,337	37,13,655
Total ..	4,98,28,322	21,49,10,217(a)
<i>Deduct</i> —Amount debited to Telephone Development Fund under P.—Deposits and Advances—Part II—Deposits not bearing interest—B.—Reserve Funds	—4,94,38,823	—5,38,38,953
Net ..	3,89,499	16,10,71,264
Appropriation to the Telephone Development Fund ..	4,75,00,000	7,25,00,000
Net expenditure outside the revenue account ..	4,78,99,499	23,35,71,264
71.—Capital Outlay on Schemes of Agricultural Improvement and Research—		
Transfer of Imperial Institute of Agricultural Research from Pusa to Delhi .. .. .	..	32,78,019
73.—Capital Outlay on Vizagapatam Port—		
Preliminary Expenses .. .. .	..	1,43,070
General Charges .. .. .	..	30,31,702
Land	—16,649	38,03,071

(a) The figure adopted in the Finance Accounts for 1939-40 has been decreased by Rs. 15,179 on account of the net result of misclassification in previous years affecting Capital and Revenue heads and increased by Rs. 4,853 on account of inter-branch transfers of buildings originally charged to Capital Account financed from ordinary revenue now transferred to Capital Account Outside the Revenue Account.

No. 6.—STATEMENT OF CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT DURING AND TO END OF THE YEAR—*concl'd.*

Heads.							Expenditure during 1940-41. Rs.	Expenditure to end of 1940-41. Rs.
73.—Capital Outlay on Vizagapatnam Port—<i>concl'd.</i>								
Dredging	..	..	..	..	..	..	..	76,11,160
Reclamation	..	..	..	..	..	..	..	32,02,285
Works	..	..	..	..	..	..	9,671	1,18,37,001
Suspense	..	..	..	..	..	..	11,053	2,24,098
Interest during construction	..	..	..	..	..	..	..	89,14,026
Deduct—Receipts and Recoveries on Capital Account	..	..	..	..	..	..	..	—5,46,056
Total							4,075	3,82,20,357
77.—Currency Capital Account—								
Payments to the Reserve Bank of India under Section 46 of the Reserve Bank of India Act	..	..	..	..	..	..	..	5,18,99,269
Currency Note Printing Press	..	..	..	..	..	..	..	16,47,305
Total Currency Capital Outlay							..	5,35,46,574
78.—Initial Expenditure on New Capital at Delhi—								
Works	..	..	..	..	..	..	11,74,398	13,92,49,722
Establishments	..	..	..	..	..	..	1,70,289	2,26,36,452
Tools and Plant	..	..	..	..	..	..	17,616	97,65,413
Stock and Suspense	..	..	..	..	..	..	..	12,24,195
Miscellaneous	..	..	..	..	..	..	..	71,48,119
Deduct—Receipts and Recoveries on Capital Account	..	..	..	..	..	..	—40,979	—2,00,30,303
Total							13,21,324	15,99,93,598
83.—Payments of Commuted Value of Pensions							—30,23,895	5,12,80,133
84.—Capital outlay on Bombay Land Scheme							..	2,31,11,835
GRAND TOTAL							6,93,22,910	7,89,48,67,502(a)

(a) The progressive figure was reduced in 1939-40 by Rs. 4,42,098 representing recovery from the Government of Burma on account of their share of the commuted value of pensions for the three years 1937-38 to 1939-40 which was previously credited to Head LI—Extraordinary Receipts.

B.—DEBT, DEPOSITS AND REMITTANCE ACCOUNTS.

PART I—REPORT.

B.—DEBT, DEPOSITS AND REMITTANCE ACCOUNTS.

1.—Report.

INTRODUCTORY.

1. Disbursements under debt, deposits and remittance heads, although involving temporary appropriations of Government funds, are not ordinarily regarded as expenditure within the meaning of Section 67-A (5) of the Government of India Act, as set out in the 9th Schedule of the Government of India Act, 1935, and, except in a few specified cases, are not required to be submitted to the Legislature in the form of demands for grants. It is, however, essential to maintain a complete and progressive record of the debt, deposit, advance, suspense and remittance transactions, as they cannot be ignored when considering the financial position of Government. The management of various receipts and disbursements under these heads constitutes a vital part of the machinery of financial administration. This part of the report contains a record of these transactions and its object is, in the first place, to give a complete enumeration of balances under debt, deposits and remittance heads and, in the second place, to review the current state of the accounts under each head.

2. An elaborate account of the origin and nature of certain transactions was given in the Report for the year 1937-38. The explanatory matter in this Report has, in most cases, been restricted to an explanation of the head of account itself.

3. Except where stated otherwise, the balances in this part of the Report under each head have been duly verified and found to agree with those shown in the separate registers or other records maintained in the Account Offices for the purpose in accordance with the prescribed rules and have also been accepted as correct by responsible officers concerned where necessary; the terms and conditions of loans, etc., have been fulfilled and repayments made regularly; the debits and credits during the year to the various reserve funds and deposit accounts of grants, etc., were for amounts authorised by the relevant Acts or rules of the funds or accounts and there were no diversions for purposes other than those for which the funds were constituted or the grants were made.

4. The following is the general statement of balances in India and England, of the Central Government on the 31st March, 1941.

I.—Balances in India.

Debit Balance. Rs.	Section of the General Account.	Name of Account.	Page.	Credit Balance. Rs.
1	2	3	4	5
6,99,20,41,163	A to M, part of Section P and Sec- tions S (II) and T.	Government	102	
	N	Public Debt	106	6,62,26,04,177
	O	Unfunded Debt	112	1,98,91,11,191
	P	Deposits and Advances—		
		(i) Deposits bearing interest—		
9,17,164		Gross balance	122	45,21,14,477
74,21,245		Investments.	122	
		(ii) Deposits not bearing in- terest—		
		Gross balance	125	31,33,05,225
15,971		Investments.	125	
7,93,83,093		(iii) Advances not bearing interest.	146	
		(iv) Suspense—	165	
48,09,99,671		Investments.		
30,69,13,684		Other items. —		
398		(v) Miscellaneous.	177	
	Q	Loans and advances by the Cen- tral Government	178	
1,20,56,55,588		(i) Advances to Provincial Gov- ernments.		
19,51,55,576		(ii) Other loans.		
	S(I)	Remittances within India (net)	188	2,90,43,982
19,238	S(II)	Remittances between England and India—Items adjustable in India (net)	188	
13,76,56,261	V	Cash Balance (Closing)	196	
<u>9,40,61,79,052</u>		Total		<u>9,40,61,79,052</u>

5. It may be mentioned here that the balances of accounts shown in these statements are not, and cannot be, regarded as a complete record of the state of affairs of the Central Government, as it is not possible to take into account all the various assets of Government such as land, buildings, communications, etc., for which no statistics are available and the value of which it is difficult to estimate. These statements, therefore, show the balances of those accounts only for which separate running accounts are kept within the Government books.

The above balances are reviewed in detail in the following paragraphs.

SECTIONS A TO M, PART OF SECTION P AND SECTIONS S (II) AND T— GOVERNMENT ACCOUNT.

India	..	..	..	..	..	Dr. Rs.	6,99,20,41,163
England	{	Secretary of State	..	..	..	Dr. £	244,347,461
		High Commissioner	..	..	..	Cr. £	154,095

6. This is the general closing head in the ledger. Under the system of book keeping followed in the Indian Government Accounts all balances which are not carried forward from year to year are closed to this head. It is also used as an adjusting head for the purpose of counterbalancing entries which have been included elsewhere in the accounts. The balance under this head, therefore, represents the cumulative results of revenue, capital and other transactions in respect of which no separate progressive balanced accounts are kept. A general outline of the balance in India on the 31st March, 1941 is given in the following table :—

Dr.	(India.)	Cr.
Rs.		Rs.
(a) 5,78,22,34,875	A.—Opening Balance.	
	B.—Revenue Receipts for 1940-41	1,45,12,68,235
1,51,65,48,178	C.—Expenditure on Revenue Account for 1940-41 ..	
6,93,22,910	D.—Capital Expenditure outside the Revenue Account for 1940-41.	
	E.—Appropriation for Reduction or Avoidance of Debt — Other Appropriations for 1940-41	2,04,96,000
34,01,15,320	F.—Net Remittances between England and India for 1940-41.	
75,59,21,752	G.—Transfer of cash between England and India.	
	H.—Miscellaneous	3,37,637
	I.—Closing Balance	6,99,20,41,163
8,46,41,43,035	Grand Total ..	8,46,41,43,035

(a) Differs from the last year's closing balance by Rs. 2,69,12,747 as detailed below :—

	Rs.
(i) Addition made to the Rupee debt without financial adjustment in connection with the Scheme of Repatriation of Sterling Debt	+2,69,69,000
(ii) Deduction on account of the net Sterling balance under the head "Remittance Account between England and India—Items adjustable in India brought to account under 'India' instead of under 'England' (£4,219 = Rs. 56,253)	—56,253
	+2,69,12,747

7. Item A represents the balance brought forward from the last year after certain corrections. The figures against B., C., D., E., F. and G. agree with the corresponding figures in Accounts Nos. 2, 3, 4, 111 and 112 of the Combined Finance and Revenue Accounts for 1940-41.

The following are the details of the sum of Rs. 3,37,637 against "H.—Miscellaneous":—

	Rs.
(1) Adjustment in connection with the conversion of loans being the difference between the face value of the loans converted and the value of securities issued in exchange <i>plus</i> amount received in cash	Cr. 3,12,129
(2) Adjustment on account of the difference between the principal amount of the stock and the commuted value of interest on Amanoti Stock certificates	Cr. 1,004
(3) Adjustment of the proportionate share of the Defence Department in respect of the half-yearly equated instalments paid by the Delhi Joint Water and Sewage Board on account of the Government loan to that body	Dr. 17,177
(4) Receipts on account of license fees recovered by the Reserve Bank of India, Bombay from the applicants for conversion of sterling loans into rupee securities in connection with the Scheme of Repatriation of Sterling Loans	Cr. 41,084
(5) Adjustment of the difference between the total of the amounts shown in the Post Office Savings Bank Ledgers and total of the amounts shown in the Pass Books	Cr. 9
(6) Fractional differences due to rounding	Dr. 12
Total	Cr. 3,37,637

8. Balances in England:—

Secretary of State	Dr. £ 244,347,461
High Commissioner	Cr. £ 154,085

The balances are analysed below:—

(England).

Debits.		Particulars.	Credits.	
High Commissioner	Secretary of State.		Secretary of State.	High Commissioner.
1	2	3	4	5
£	£		£	£
.. (a) 326,549,278		A.—Opening Balance .. .. .	..	(b) 128,132
7,215,721	23,825,297	B.—Remittance Account between England and India.	56,457,983	91,684
		C.—Transfer of Cash between England and India.	49,539,131	7,150,000
154,095		D.—Closing Balance	244,347,461	
<u>7,369,816</u>	<u>350,374,575</u>	Grand Total	<u>350,374,575</u>	<u>7,369,816</u>

(a) Differs from the last year's closing balance on account of the following corrections:—

£

(i) Deduction from the sterling loan during the year 1940-41 in connection with the Repatriation of Sterling Debt without financial adjustment	—2,022,675
(ii) Credit balance representing the half-yearly interest on the balance of British War Loan, which fell due in December, 1932, but was not disbursed, since written off	—418,025
(iii) Credit balance of the Superior Services (India) Family Pension Fund on 31st March, 1940	—175,022
(iv) Deduction on account of sterling balance (Cr.) on 31st March, 1940 under the head "Remittance Account between England and India—Items adjustable in India" brought to account under 'India' instead of under 'England'	—15
	<u>—2,615,737</u>

(b) Differs from the last year's closing balance on account of the deduction in respect of the sterling balance (Dr.) on 31st March, 1940 under the head "Remittance Account between England and India—Items adjustable in India" brought to account under 'India' instead of under 'England'

—4,234

9. The statement given below is intended to afford a general view of the combined balances in India and England, of the Central Government in units of rupee currency, outstanding sterling debts and other balances in England being combined with the corresponding balances in India at the rate of £1=Rs. 13½ and the resultant total expressed in rupees. This method of presentation does not, however, purport to be the correct method of assessing the sterling balances at their real rupee value, but in the absence of any more accurate basis for determining the exact rupee equivalent of these balances, the sterling figures have been converted into rupees at the above rate.

Balances in India and England (combined).

Debit Balances.	Name of Account.	Credit Balances.
Rs.		Rs.
10,24,79,52,698	Government.	
	N.—Public Debt	10,03,37,12,197
	O.—Unfunded Debt	2,02,73,10,922
	P.—Deposits and Advances—	
	(i) Deposits bearing interest—	
9,17,164	Gross balance	45,21,14,477
74,21,245	Investments.	
	(ii) Deposits not bearing interest—	
	Gross balance	41,33,05,225
10,00,15,559	Investment.	
7,94,94,385	(iii) Advances not bearing interest.	
	(iv) Suspense—	
48,09,99,671	Investments.	
36,88,81,115	Other Items (net).	
7,82,024	(v) Miscellaneous	83,213
1,40,08,11,164	Q.—Loans and Advances by the Central Government.	
9,24,75,042	S.—Remittances (net).	
14,67,75,967	V.—Cash Balance (closing).	
<hr/> 12,92,65,26,034	Grand Total ..	<hr/> 12,92,65,26,034 <hr/>

FINANCE ACCOUNTS. CENTRAL GOVERNMENT.

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10. The debit balance under "Government Account" is composed of the following items of debit and credit:—

		Rs.	
		Debit. 1	Credit. 2
1. Net debit balance brought forward	..	10,13,45,16,827	(a) 10,13,45,16,827
2. Excess of expenditure on Revenue Account over Ordinary Revenues for 1940-41 ..	..	6,52,79,943	6,52,79,943
3. Capital expenditure outside the Revenue Account for 1940-41 ..	..	9,93,22,910	9,93,22,910
4. Adjustment on account of the proportionate share of the Defence Department in respect of the half-yearly equated instalment paid by the Delhi Joint Water and Sewage Board on account of the Government loan to that body ..	..	17,177	17,177
5. Appropriation during 1940-41 for reduction of avoidance of debt, otherwise than by means regularly constituted Sinking Funds ..	..		2,04,98,000
6. Adjustment in connection with the conversion of loans, being the difference between the face value of the loans converted and the value of securities issued in exchange <i>plus</i> amounts received in cash ..	..		3,12,129
7. Adjustment on account of the difference between the principal amount of the stock and the commuted value of interest on Amanoti Stock certificates ..	..		1,604
8. License fees recovered from the applicants for conversion of sterling loans into rupee securities in connection with the Repatriation of Sterling Loans ..	..		41,084
9. Adjustment of the difference between the total of the Post Office Savings Bank Ledgers and total of the amount shown in the Pass Books ..	..		9
10. Difference between credit in England and debit in India under head "Transfer of Cash between England and India" ..	..		3,33,333
11. Net debit balance ..	..		10,24,79,52,698
Total	..	10,26,91,36,857	10,26,91,36,857

(a) Differs from last year's closing balance by Rs. 70,07,292 representing the amounts written off to Government, vide foot note (a) (ii) and (iii) below paragraph 8.

SECTION N.—PUBLIC DEBT	{	INDIA	Cr.	Rs.	6,62,26,04,177
		ENGLAND	Cr.	£	255,833,102

11. The term "Public Debt" used in this Report is confined to regular loans raised from the public in India and in England, including certain Railway liabilities and the outstanding portion of India's financial contribution to the Great War, 1914-18. It does not cover other interest-bearing obligations, such as Post Office Savings Bank Deposits and Cash Certificates, and Provident, Depreciation, Reserve and other Funds, which are dealt with in Sections O and P of this Report. A comparative statement, showing the aggregate gross capital liabilities of the Central Government on the 31st March, 1941 and the capital and other disbursements which are treated as set-off against these liabilities, is to be found in Account No. 2 of Part B of this Report.

The liabilities reviewed in this Section are divided into two classes, namely, "Permanent Debt" and "Floating Debt". The term "Permanent Debt" covers such of the loans borrowed by Government in the open market as are intended to have, at the time when they are raised, a currency of more than twelve months. The term "Floating Debt" is applied to borrowings of a purely temporary nature, such as treasury bills and ways and means advances from the Reserve Bank of India, which are to be repaid within twelve months. The balances under each of these classes, which represent the nominal value of outstanding debt on the 31st March, 1941, are reviewed in the following paragraphs.

The outstanding balance of Public Debt on the 31st March, 1941 amounted in the aggregate to a sum of Rs. 10,03,37,12,197 as shown below, the sterling debt being converted into rupees at the rate of 1s. 6d. to the rupee. This method of presentation probably does not show the sterling liabilities at their true rupee value but in the absence of a more suitable basis for determining the exact rupee equivalents of the sterling loans raised in England, based on actual conditions, the sterling figures have been combined with the corresponding rupee figures in India at the conventional rate of 1s. 6d. to the rupee and the resultant total expressed in rupees.

Rupee Debt	..	..	..	..	..	Cr.	Rs.	6,62,26,04,177
Sterling Debt £255,833,102 converted into Rupees at £1 = Rs. 13½	3,41,11,03,020
Total							..	10,03,37,12,197

Rupee Debt	Cr.	Rs.	6,62,26,04,177
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12. The balance under Rupee Debt is composed of the following parts :—

I.—Permanent Debt—

							Rs.	
A.—Loans bearing interest	..	..	..	..	..	..	5,74,55,22,819	
B.—Loans not bearing interest	..	..	..	..	..	..	46,95,450	
C.—Interest Free Loans	..	..	..	..	..	..	2,33,60,902	
II.—Floating Debt	..	..	..	..	..	..	84,90,25,000	
Total							..	6,62,26,04,177

I.—Permanent Debt.

13. The balances under this head are borne on the books of the Accountant General, Central Revenues. The details are shown in the following statements :—

A.—Loans bearing interest.

Rate of interest.	Description of Loan.	Amount of each loan.	Total.
(1)	(2)	(3)	(4)
		Rs.	Rs.
8 per cent.	Loan, 1912-47	10,34,00,000	
8 per cent.	Loan, 1915-55	56,74,93,800	
			67,08,93,800
4½ per cent.	Indore State Railway Loan ..	70,00,000	
4½ per cent.	Loan, 1950-55	37,25,03,279	
4½ per cent.	Loan, 1955-60	9,05,69,700	
4½ per cent.	Loan, 1958-68	15,64,12,843	
			62,04,85,822
4 per cent.	Loan, 1960-70	63,30,20,300	
4 per cent.	Loan, 1948-53	11,97,90,167	
4 per cent.	Scindia State Railway Loan ..	1,50,00,000	
4 per cent.	Bonds, 1943	14,97,17,700	
			91,75,34,167
3½ per cent.	Loan, 1842-43	34,63,75,550	
3½ per cent.	Loan, 1854-55	20,40,85,314	
3½ per cent.	Loan, 1835	40,94,71,400	
3½ per cent.	Loan, 1879	2,71,23,600	
3½ per cent.	Loan, 1900-01	39,03,57,400	
3½ per cent.	Bonds, 1947-50	55,94,36,900	
3½ per cent.	Bonds, 1954-59	10,85,83,753	
			2,04,08,34,117
3 per cent.	Loan, 1906-97	9,12,56,300	
3 per cent.	Bonds, 1941	10,67,31,700	
3 per cent.	Defence Bonds, 1946	45,14,31,100	
3 per cent.	Defence Loan, 1949-52	3,75,37,700	
3 per cent.	Loan, 1949-52	10,50,74,813	
3 per cent.	Loan, 1951-54	15,12,85,300	
3 per cent.	Loan, 1963-05	42,03,30,000	
			1,36,36,46,913
2½ per cent.	Loan, 1948-52	12,01,28,000	
			12,01,28,000
	Total		5,74,55,22,819

B.—Loans not bearing interest.

Description of Loan.								Amount of each Loan. Rs.
Treasury Bonds, 1935	..	..	..	..	..	..	..	4,54,400
Bonds, 1935	..	..	..	..	..	..	..	31,500
Bonds, 1934	..	..	..	..	..	..	..	1,95,000
Bonds, 1933	..	..	..	..	..	..	..	1,49,700
Bonds, 1932	..	..	..	..	..	..	..	54,300
Bonds, 1931	..	..	..	..	..	..	..	21,300
Bonds, 1930	..	..	..	..	..	..	..	3,03,000
Bonds, 1927	..	..	..	..	..	..	..	1,35,800
Bonds, 1926	..	..	..	..	..	..	..	81,200
Bonds, 1933-36	..	..	..	..	..	..	..	1,59,900
War Bonds, 1928	..	..	..	..	..	..	..	1,14,700
War Bonds, 1925	..	..	..	..	..	..	..	13,975
War Bonds, 1923	..	..	..	..	..	..	..	46,325
War Bonds, 1922	..	..	..	..	..	..	..	1,69,475
War Bonds, 1921	..	..	..	..	..	..	..	2,40,400
War Loan, 1929-47	..	..	..	..	..	..	..	2,63,575
Terminable Loan of 1915-16	..	..	..	..	..	..	..	18,100
Conversion Loan of 1916-17	..	..	..	..	..	..	..	25,400
Loan, 1934-37	..	..	..	..	..	..	..	2,58,800
Loan, 1938-40	..	..	..	..	..	..	..	2,04,300
Loan, 1939-44	..	..	..	..	..	..	..	7,51,100
Loan, 1940-43	..	..	..	..	..	..	..	10,03,200
Total								46,95,450

C.—Interest Free Loans.

	Rs.
Three year Interest-Free Defence Bonds	2,33,60,908

The total figure under "B.—Loans not bearing interest" represents the unclaimed balance of old loans which have been notified for discharge and have ceased to bear interest from the due date of discharge.

14. The figures in paragraph 13 correspond with those given in Account No. 93 of the Combined Finance and Revenue Accounts for 1940-41 and Account No. 3 of Part B of this report.

15. The Indore State Railway Loan of Rupees seventy lakhs and the Scindia State Railway Loan of Rupees one crore and fifty lakhs are not borne on the registers of the Public Debt Office but were taken under special conditions from the Maharajas Holkar and Scindia.

16. The other loans are borne on the registers of the Public Debt Office and the verification of their balances consists in a reconciliation between the loan balances

which are outstanding on the books of the Accountant General, Central Revenues, and the corresponding balances in the books of the Public Debt Office, Calcutta, as representing the outstanding loans held against Government. A comparison of the figures of outstanding loans on the books of the Accountant General, Central Revenues, on the 31st March, 1941 with the corresponding liabilities on the books of the Public Debt Office revealed differences under twenty loan heads noted below :—

							Ledger balance more+less—.
							Rs.
1. Treasury Bonds, 1935 .. .. .	..	..	..	..	..	..	—4,900
2. Bonds, 1933-36 .. .. .	..	..	..	..	..	..	+10,000
3. Bonds, 1931 .. .. .	..	..	..	..	..	..	—1,800
4. Bonds, 1930 .. .. .	..	..	..	..	..	..	—3,100
5. Bonds, 1927 .. .. .	..	..	..	..	..	..	—5,000
6. Bonds, 1926 .. .. .	..	..	..	..	..	..	+100
7. War Bonds, 1923 .. .. .	..	..	..	..	..	..	—50
8. War Bonds, 1922 .. .. .	..	..	..	..	..	..	+57,050
9. War Bonds, 1921 .. .. .	..	..	..	..	..	..	+1,200
10. Loan, 1938-40 .. .. .	..	..	..	..	..	..	—38,600
11. Loan, 1939-44 .. .. .	..	..	..	..	..	..	—1,15,400
12. Bonds, 1935 .. .. .	..	..	..	..	..	..	—1,000
13. War Loan, 1923-47 .. .. .	..	..	..	..	..	..	—7,900
14. Loan, 1940-43 .. .. .	..	..	..	..	..	..	—10,15,100
15. Conversion Loan of 1916-17 .. .. .	..	..	..	..	..	..	—1,100
16. 5 per cent. Loan, 1942-47 .. .. .	..	..	..	..	..	..	—18,00,000
17. 3½ per cent. Loan, 1854-55 .. .. .	..	..	..	..	..	..	—3,516
18. Three year Interest-Free Defence Bonds .. .. .	..	..	..	..	..	..	+3,172
19. 3 per cent. Defence Loan, 1949-52 .. .. .	..	..	..	..	..	..	—16,21,170
20. 3 per cent. Defence Bonds, 1946 .. .. .	..	..	..	..	..	..	—1,100

The ledger balances on the books of the Accountant General, Central Revenues, based as they are on the actual transactions passing through the Government accounts of the year, may be taken as the true liability of the Central Government on the 31st March, 1941.

The differences mentioned above except in the case of items 16-20 relate to loans which are in course of discharge. The balances on the books of the Public Debt Office are not reduced until the securities are actually cancelled by that office, while the necessary debits are adjusted through the accounts of the Accountant General, Central Revenues, on the basis of information furnished by the Accountants General. The differences in the case of items 1—15 were mostly due to securities discharged and accounted for as such in the accounts of the Accountant General, Central Revenues, but not cancelled by the Public Debt Office and *vice versa*, and in the case of item 13, to a certain extent to outstanding allotment letters not having been converted into scrip. In the case of item 8, it has been found impracticable to locate the difference prior to 1931 and therefore it has been allowed to stand, but transactions during the year relating to this loan which operate to affect the balance are watched in the Account Office with the object of reducing

II.—Floating Debt	Cr.	Rs.	84,90,25,000
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(i) TREASURY BILLS.

(ii) TEMPORARY LOANS FROM THE RESERVE BANK OF INDIA.

Sterling Debt	Cr.	£	255,833,102
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A.—Permanent Debt—

-Permanent Debt-						£
I.—Loans bearing interest	255,830,752
II.—Loans not bearing interest	2,360
Total						255,833,102

The details of the above balances are :—

I.—Loans bearing interest.

	£
	1,125,314
India 5 per cent. stock	16,580,158
India 4½ per cent. stock	2,381,135
India 4 per cent. stock	80,612,128
India 3½ per cent. stock	72,372,099
India 3 per cent. stock	11,046,486
India 2½ per cent. stock	1,435,650
East Indian Railway Irredeemable Debenture Stock, 4½ per cent.	8,000,000
East Indian Railway New Debenture Stock, 3 per cent.	7,000,000
East Indian Railway Debenture Stock, 3½ per cent.	348,666
Eastern Bengal Railway Irredeemable Debenture Stock, 4 per cent.	425,000
South Indian Railway Perpetual Debenture Stock, 4½ per cent.	2,701,450
Great Indian Peninsula Railway Irredeemable Debenture Stock, 4 per cent.	3,500,000
Great Indian Peninsula Railway Debenture Stock, 3½ per cent.	1,250,000
Burma Railway Debenture Stock, 3 per cent.	15,466,928
Liability for British Government 5 per cent. War Loan (1929-47) taken over by India	

Railway Annuities.

East Indian Railway Annuity terminating in 1953	10,903,159
Eastern Bengal Railway Annuity terminating in 1957	1,437,841
Scinde Punjab and Delhi Railway Annuity terminating in 1959	4,799,974
Great Indian Peninsula Railway Annuity terminating in 1948	8,615,591
Madras Railway Annuity terminating in 1956	5,799,173
Total Loans bearing interest	255,830,752

II.—Loans not bearing interest.

	£
India 5½ per cent. Stock, 1932	1,800
India 6 per cent. Bonds, 1932	450
India 6 per cent. Bonds, 1933	100
Total Loans not bearing interest	2,350

19. These balances are borne on the books of the Secretary of State and agree with the figures shown in Account No. 93 of the Combined Finance and Revenue Accounts for 1940-41 and Account No. 3 of Part B of this Report.

The amount shown against "Liability for British Government 5 per cent. War Loan (1929-47) taken over by India" is the undischarged balance of the liability assumed by India as a contribution towards the cost of the Great War, 1914-18. Payment of interest on this liability has been suspended from 1st July, 1931.

The amounts shown under Railway Annuities represent the unexpired portion of the capital liability involved in the purchase of Railways under redemption by annuities, which has been transferred to general revenues on the separation of the railway finances from the general finances of the Central Government.

20. Funds are also raised by the Secretary of State by the issue of debentures through Railway Companies working State lines. The interest on these is guaranteed by the Secretary of State, but they are not in the nature of direct obligations and are not therefore included in the Public Debt of the Central Government.

SECTION O.—UNFUNDED DEBT..	INDIA ..	Cr.	Rs.	1,98,91,11,191
	ENGLAND ..	Cr.	£	2,864,980

21. The term "Unfunded Debt" is used to describe a number of interest bearing obligations of Government in respect of funds deposited with it for various purposes. The principal classes of these obligations are :—

	India.	England.
	Rs.	£
Special Loans	1,45,33,886	..
Treasury Notes .. .	71,619	..
Deposits of Service Funds ..	93,49,508	2,864,980
Savings Bank Deposits ..	59,51,11,042	..
Post Office Certificates ..	49,28,44,584	..
State Provident Funds ..	78,03,49,088	..
Other Accounts .. .	9,68,51,464	..
Total ..	1,98,91,11,191	2,864,980

Special Loans Cr. Rs. 1,45,33,886

22. Under this head is recorded a number of interest-bearing obligations, mostly of a permanent character, of which the following are the details :—

Description of the loan.	Central Revenues.	United Provinces.	Punjab.	Total.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
8 per cent. Perpetual Loan (Madras) ..	21,000	..	..	21,000
6 per cent. Perpetual Loan (Madras) ..	70,000	..	..	70,000
Endowments by the late King of Oudh—	..	..	..	..
First Loan (6 per cent.) .. .	..	24,73,003	..	24,73,003
Third Loan (5 per cent.) .. .	..	98,43,631	..	98,43,631
Sixth Loan (4 per cent.) .. .	..	13,98,252	..	13,98,252
Appropriation for the maintenance of Madho Rao	6,68,000	..	..	6,68,000
Endowment for charitable and educational institutions	50,000	..	10,000	60,000
Total ..	8,09,000	1,37,14,886	10,000	1,45,33,886

23. Full particulars of these loans are given below :—

Madras Perpetual Loans Rs. 91,000

These are all deposits made by private persons originally with the Government of Madras as perpetual loans. The deposit is in each case an endowment for religious purposes connected with Christian churches.

Endowments by the late King of Oudh Rs. 1,37,14,886

These are endowments made by the late King of Oudh for the payment of pensions and certain stipends called Wasika Pensions. The balances of the first and the third loans have been reduced by Rs. 2,662 and Rs. 1,908 respectively during the year under report owing to adjustments on account of the values of commuted and lapsed pensions. There has been no change in the balance of the sixth loan during 1940-41.

Appropriation for the maintenance of Madho Rao Rs. 6,88,000

The balance shown against this head represents the amount appropriated in 1861 out of the property forfeited by Madho Rao's father to provide a pension for his son.

Endowment for the Charitable and Educational Institutions Rs. 60,000

The particulars of these endowments are :—

Central Revenues—

				Rs.
(1) Deposits of the Lawrence Military Asylum, Mount Abu	..	..		10,000
(2) Annuity Fund of Fattch Ullah Khan	..	..	..	40,000

Punjab—

(3) Lawrence Memorial Asylum at Murree	..	..	..	10,000
			Total	60,000

These consist generally of endowments for specific purposes of an educational or charitable character, *e.g.*, maintenance of asylums for the poor, etc., which were accepted by Government from private persons at various times. These loans are practically fixed and do not therefore require annual verification.

Treasury Notes Cr. Rs. 71,619

24. The balance represents the value of three non-transferable Treasury Notes at 4 per cent. (Madras). Two Treasury Notes—one for Rs. 20,219 and another for Rs. 10,000 are held by the Accountant General, Madras, as Treasurer of Charitable Endowments. The third Note for Rs. 41,400 belonging to the Lawrence Memorial Royal Military School, Lovedale, is held by the Reserve Bank of India, Madras on behalf of the Administrators—*viz.*, the Director of Public Instruction, Madras, and the Collector of the Nilgiris.

Deposits of Service Funds	{	India	..	Cr.	Rs.	93,49,508
		England	..	Cr.	£	2,864,980

25. The details of Deposits of Service Funds are as follows :—

				Cr. Rs.
<i>India—</i>				
Indian Civil Service Family Pension Fund	..	..	..	(a)—52
Bengal Uncovenanted Service Family Pension Fund	..	..	..	42,53,985
Bengal and Madras Service Family Pension Fund	..	..	..	17,19,164
Madras Military Assistant Surgeons' Fund	..	..	..	4,24,909
Bombay Family Pension Fund of Government Servants (Widows' Pension Branch)	..	..	..	29,51,502
		Total	..	93,49,508
<i>England—</i>				
				£
Indian Military Widows' and Orphans' Fund	..	..	..	182,216
Indian Military Service Family Pension Fund	..	..	..	1,660,353
Indian Civil Service Family Pension Fund	..	..	..	1,022,411
		Total	..	2,864,980

(a) The minus credit balance of Rs. 52 has been adjusted in the accounts for 1941-42.

26. *India*—These represent, in the main, the balances of certain funds intended for the benefit of Government servants, but not under the control of Government, which are deposited with Government on favourable terms as to interest.

In respect of all these funds the Treasury is merely the depository, the funds having in each case their separate offices and organisations for keeping the details of the accounts. The verification of the balances therefore consists in merely agreeing the balances on the Government books with those claimed by the trustees or other responsible officers of the funds. In the case of the Bengal Uncovenanted Service Family Pension Fund, the agreement has not yet been effected.

27. *England*—The *Indian Military Widows' and Orphans' Fund* was designed to secure suitable provision for the widows and orphans of officers of the Indian Army not being subscribers under the Indian Military Service Family Pension Regulations. The balance of the fund, which is essentially sterling in character, is held in England.

All moneys contributed under the *Indian Military Service Family Pension Regulations* and the *Indian Civil Service Family Pension Rules* were up to 31st March, 1936 credited as revenues of India and the pensions and other benefits paid were debited as a charge upon those revenues. Since 1st April, 1936 these transactions have been brought under Section O.—Unfunded Debt and the balances have been recognised as sterling liabilities of Government.

With effect from 1st April, 1937 all these funds have been divided into two sections, namely, the transferred section and the untransferred section, to represent respectively the interest transferred to the Commissioners appointed under the Government of India (Family Pension Funds) Order, 1936, and the interest untransferred by reason of objection made under Section 273 (3) of the Government of India Act, 1935. The balances existing at the end of March, 1937, in respect of the section of the subscribers and beneficiaries who have elected for transfer, have been paid over to the appropriate Commissioners under the provisions of the Order in Council during 1937-38 and 1938-39. The balance outstanding on 31st March, 1941 in respect of "Transferred Funds" is shown under "Suspense Accounts" in "Section P.—Deposits and Advances". The balances shown here represent those of the "Untransferred" section of each fund.

These funds are under the control of Government and are audited like other Government accounts.

Savings Bank Deposits	Cr.	Rs. 59,51,11,042
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28. These relate to savings banks established at Post Offices throughout the country to encourage thrift and the banking habit. Deposits are received into them subject to certain limitations and bear interest at $1\frac{1}{2}$ per cent. The interest credited to the depositors' accounts during the year amounted to Rs. 92,89,000. The balance mentioned herein excludes the balances under "Dead Savings Bank Accounts" which are shown separately under "Deposits". The ledger balance was found to differ from the total of the balances of live accounts held at the credit of the depositors as worked out from the books of the Audit Offices by Rs. 29,748. Excepting for a sum of Rs. 8,922 which is under verification, all the other differences have been adjusted in the accounts for 1941-42.

Post Office Certificates Cr. Rs. 49,28,44,584

29. This is composed of the following :— Rs.

(1) Post Office Cash Certificates	46,98,87,584
(2) Post Office Ten year Defence Savings Certificates	2,29,57,000

(1) The balance under Post Office Cash Certificates represents the issue price of Cash Certificates sold to the public remaining undischarged at the end of the year under review and does not include the accrued liability in respect of bonus which is of the nature of deferred interest and is payable under the system described below.

These certificates are repayable on demand at any time, but are ordinarily expected to remain in deposit for five years. On repayment, after the first year of deposit, a bonus is payable in addition to the principal. For a certificate remaining in deposit for the full five years, the bonus payable represents, at the rates of issue prevailing during the period covered by this report, approximately $2\frac{1}{2}$ per cent. compound interest.

With a view to afford additional facility to the holders, cash certificates maturing on or after the 6th June, 1940 are allowed, at the option of the holders, to be held for a further period of ten years, at revised rates of interest during the extended period. A sum of Rs. 10,33,800 representing the issue price of unclaimed Cash Certificates of 1926-27 and 1931-32 issues was transferred to Central Revenues in the accounts for 1940-41.

(2) With effect from 6th June, 1940, a new form of Postal Certificate known as "Post Office Ten year Defence Savings Certificate" has been issued. These certificates like the Five year cash certificates are payable on demand with a bonus, if paid on or after the expiry of two years from the date of issue but are ordinarily expected to remain in deposit for ten years. The bonus payable after the full term of ten years represents, at the rates now prescribed, approximately $3\frac{1}{8}$ per cent. compound interest. The balance represents the issue price of certificates remaining undischarged at the close of 1940-41.

State Provident Funds

30. These are funds established for the benefit of Government servants, contribute the sums deposited in them and, in some cases where the funds in effect represent revenues. The Defence Savings Provident Funds, ordinary and Railway, are accumulated deposits in the other funds are finally paid to the depositors on the circumstances. The balances of individual accounts were duly communicated to funds are as shown in the

Balance of State Provident Funds

(1) Funds.	(2) Central Revenues.	(3) Supply Accounts (Civil).	(4) Baluchistan.	(5) Madras.	(6) Bombay.	(7) Bengal.	(8) United Provinces.	(9) Punjab.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
State Railway Provident Institution	2,87,562	..	..	..	..	..	..	..
Companies' Railways Provident Fund ..	..	..	..	..	..	..	..	..
General Provident Fund	1,72,24,123	5,97,131	8,85,688	25,76,934	67,62,773	50,59,581	15,54,657	11,83,128
Indian Civil Service Provident Fund ..	19,50,819	..	1,07,046	..	300	..	..	23,106
Indian Civil Service (Non-European Members) Provident Fund ..	37,259	..	35,984	81	624	..	..	..
Defence Savings Provident Fund ..	2,69,205	35,385	6,316	2,02,997	3,82,478	1,24,239	1,48,977	3,78,373
Defence Savings Provident Fund Railway ..	..	..	..	..	..	..	..	..
Defence Services Officers' Provident Fund .. ..	..	..	..	..	..	..	..	..
Military Engineering Services Provident Fund .. ..	..	..	..	..	..	..	..	..
Indian Ordnance Department Provident Fund ..	..	..	..	..	..	..	..	..
Contributory Provident Funds ..	16,67,075	20,18,813	..	5,27,487	5,93,128	4,60,151	..	..
Other Miscellaneous Provident Funds	..	3,81,042	..	3,14,718	..	..	..	..
Total ..	2,14,33,043	30,32,371	10,35,034	36,22,177	77,39,303	62,43,971	17,03,634	15,84,607

.. .. Cr. Rs. 78,03,49,088

butions to which are, in certain cases, compulsory. Government pays interest on substitutes for pensions, supplements the deposits by contributions from its own governed by special rules as described in paragraphs 36 and 37 below. The termination of their service, but temporary withdrawals are permitted in certain the depositors concerned except where otherwise mentioned. The details of these following table :—

on the 31st March, 1941.

(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Bihar.	Central Provin- ces and Berar.	Assam.	North- West Frontier Pro- vince.	Orissa.	Sind.	Coorg.	Defence.	Railways.	Posts and Telegraphs.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
..	..	..	..	..	..	..	..	38,44,65,610	..	38,47,53,181
..	..	..	..	..	..	..	..	27,28,58,912	..	27,28,58,912
8,04,714	5,92,445	2,81,281	1,13,021	1,15,627	0,62,096	4,21,011	1,02,76,897	33,28,729	3,53,68,627	9,47,16,443
..	66	..	58,390	..	..	..	..	..	1,62,482	23,02,209
..	..	..	..	..	..	..	..	..	2,480	76,428
1,02,194	1,11,175	37,353	91,231	30,519	42,229	478	1,50,152	9,374	1,93,244	23,23,135
..	..	..	..	..	..	..	..	2,35,057	..	2,35,057
..	..	..	..	..	..	..	41,60,708	..	..	41,60,708
..	..	..	..	..	..	..	53,970	..	..	53,970
..	..	..	..	..	..	..	73,04,737	..	..	73,04,737
..	..	..	7,077	..	..	..	1,29,704	..	..	51,03,435
..	..	..	..	..	..	..	51,40,813	..	..	58,45,573
9,14,238	7,01,986	3,23,639	5,09,769	1,46,167	7,09,315	4,21,489	3,35,40,891	66,08,97,621	3,57,26,833	78,03,49,088

State Railway Provident Institution **Cr.** **Rs. 38,47,53,181**

31. The balance in the ledgers of the Institution was reconciled with the general books of the Railways concerned and with the broadsheet maintained by the Accountant General, Central Revenues. Small differences which were noticed have been settled in the accounts for 1941-42. The balances of individual subscribers' accounts were communicated to the depositors concerned except those on the North Western Railway.

Companies' Railways Provident Fund **Cr.** **Rs. 27,28,58,912**

32. The balance at credit of the Fund was reconciled with the accounts of individual depositors. Small differences which were noticed have been adjusted in the accounts for 1941-42.

General Provident Fund **Cr.** **Rs. 9,47,16,443**

33. The ledger balances of this fund on the books of the Civil and Departmental accounting officers are proved with the sum total of the balances of the personal accounts of the subscribers to the Fund. In doing so differences were found in certain cases, which have since been settled except for Rs. 200 in Baluchistan, Rs. 3,072 under Central Revenues and Rs. 3 in Madras. The balances of individual subscribers were communicated to the depositors concerned except those on the North Western Railway.

Indian Civil Service Provident Fund **Cr.** **Rs. 23,02,209**

34. The balances under this head represent deductions made from the salaries of members of the Indian Civil Service which are funded for the benefit of the officers concerned. The ledger balances agree with the broadsheets maintained by Account Offices except Rs. 280 under Central Revenues and Rs. 66 under Central Provinces. The differences have been adjusted in the accounts for 1941-42. The balance of Rs. 300 shown under Bombay pertains to other Provinces and has been adjusted in the accounts for 1941-42.

**Indian Civil Service (Non-European Members)
Provident Fund** **Cr.** **Rs. 76,428**

35. This fund was established on the 1st January, 1931. It is open only to non-European members of the Indian Civil Service. The balances shown under Madras and Bombay have been adjusted in 1941-42. The balance under Bombay pertains to other Provinces.

Defence Savings Provident Fund **Cr.** **Rs. 23,29,435**

36. This fund was started during the year to enable Government servants to take part in the Defence Savings movement. Subscriptions are voluntary and will not continue beyond twelve months from the date on which the present war is declared to have terminated. No advances are permitted. The amount standing at the credit of a subscriber is payable on his quitting service or on the expiry of twelve months from the date on which the present war is declared to have terminated; whichever is earlier, provided that in the latter case the subscriber gives due intimation claiming payment to the Account Officer or the Head of the Office as laid down in the rules.

Differences between ledger and broadsheet balances were noticed in certain cases, which have been adjusted in the accounts for 1941-42, except Rs. 65 under Central Revenues, Rs. 644 in Madras, Rs. 286 in Punjab, Rs. 88 in Assam, Rs. 18 in Orissa and Rs. 10 under Defence Services. Discrepancies between ledger and broadsheet also exist in Bengal and the United Provinces. The balances were not communicated to individual depositors in the United Provinces and on the North Western Railway.

Defence Savings Provident Fund Railway . . . Cr. Rs. 2,35,057

37. This fund was also started on terms similar to those of the Defence Savings Provident Fund during the year under review and is open to all Railway servants in the service of the Crown in India. The balances of individual subscribers were communicated to them except those on the North Western Railway.

Defence Services Officers' Provident Fund . . Cr. Rs. 44,69,708

38. It is open to British and Indian Officers holding substantive King's Commissions in the Indian Army, including the Indian Medical Service, and in the Royal Indian Navy.

Military Engineering Services Provident Fund . . Cr. Rs. 53,970

39. This fund is intended for non-pensionable Government servants of the Military Engineering Service. The balance includes a sum of Rs. 242 which is under readjustment by the Controller of Military Accounts, Eastern Command, Meerut.

Indian Ordnance Department Provident Fund . . Cr. Rs. 73,04,737

40. This fund is intended for non-pensionable Government servants of the Indian Ordnance Department.

Contributory Provident Funds Cr. Rs. 54,03,435

41. These funds were started for the benefit of certain non-pensionable Government servants under the control of the Central Government. There was a difference of Rs. 72 between broadsheet and ledger balances under Central Revenues, out of which a difference of Rs. 25 has since been settled.

Other Miscellaneous Provident Funds Cr. Rs. 58,45,573

42. This balance includes (1) the balances of special Provident Fund for the non-pensionable employees of the late Indian Stores Department, (2) the balances of the Vizagapatam Port Contributory Provident Fund which is open to employees of the Vizagapatam Port only and (3) the balances of the Okara Military Farm Provident Fund and the Indian Ordnance Factories Workmen's Provident Fund.

Other Accounts Cr. Rs. 9,68,51,464

43. The details are shown below :—

BOMBAY.

Bombay Family Pension Fund of Government Servants (Life Assurance Branch)	Rs. 18,236
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BENGAL.

General Family Pension Fund	10,722
Hindu Family Annuity Fund	1,12,762
Bengal Christian Family Pension Fund	4,001

POSTS AND TELEGRAPHS.

Postal Insurance and Life Annuity Fund	9,43,46,264
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RAILWAYS.

Staff Benefit Fund	7,67,655
Indian Railway Conference Association Employees' Provident Fund	8,03,476

GENERAL.

Cemetery Endowment Fund	7,88,348
Total	9,68,51,464

44. The balance of the *Bombay Family Pension Fund of Government Servants (Life Assurance Branch)* is constituted of subscriptions of such members of that fund who become widowers.

The balance under the *Hindu Family Annuity Fund* differs from the amounts claimed by the Administrators of the Fund by Rs. 203.

45. The *Postal Insurance and Life Annuity Fund* is a Life Insurance Fund managed by Government for the benefit of its employees, in which insurance is permitted up to a maximum of Rs. 20,000 for each life insured. The balance includes interest for the year at $3\frac{1}{2}$ per cent. on balances at credit of the Fund in respect of policies issued up to the 31st March, 1940 and at 3 per cent. in respect of policies issued from the 1st April, 1940 onwards. The number of subscribers on the 31st March, 1941, was 99,236 against 1,00,704 on the same date in 1940.

46. The *Staff Benefit Fund, Railways* provides certain amenities and affords relief from distress to non-gazetted employees of Railways, the cost of which was previously met from the Railway Fine Funds. The income of the fund is derived from fines levied on the employees, supplemented by a contribution from Railway revenues.

47. *Indian Railway Conference Association Employees' Provident Fund*.—The balance agrees with the balance as per personal ledgers of the individual subscribers.

48. The balance under the *Cemetery Endowment Fund* represents the amount of fees received up to 31st March, 1941, for the endowment of monuments in Government cemeteries.

SECTION P.—DEPOSITS AND ADVANCES.

INDIA	..	..	..	..	Dr. Rs.	87,56,51,226
					Cr. Rs.	76,54,19,702
ENGLAND	..	..	..	..	Dr. £	12,214,495
					Cr. £	7,506,241

49. This section consists of five main parts, namely :—

(1)	India.		England.	
	Dr.	Cr.	Dr.	Cr.
	Rs.	Rs.	£	£
(2)	(3)	(4)	(5)	
(I) Deposits bearing interest ..	83,38,409	45,21,14,477	..	..
(II) Deposits not bearing interest ..	15,971	31,33,05,225	7,499,969	7,500,000
(III) Advances not bearing interest ..	7,93,83,093	..	8,347	..
(IV) Suspense	78,79,13,355	..	4,647,557	..
(V) Miscellaneous	398	..	58,622	6,241
Total ..	87,56,51,226	76,54,19,702	12,214,495	7,506,241

PART I.—DEPOSITS BEARING INTEREST.

50. This part consists of funds created out of revenue and held in the Government balances on behalf of various departments for specific purposes. The details are as follows :—

	Dr. Rs.	Cr. Rs.
Reserve Fund—Railways		5,89,06,557
Reserve Fund Investment Account—Railways	43,00,335	
Depreciation Reserve Fund—Railways		36,60,71,936
Loans to Branch line companies	9,17,164	
Depreciation Reserve Fund Investment Account	31,20,910	
Renewals Reserve Fund—Posts and Telegraphs		1,94,70,571
Renewals Reserve Fund—Northern India Salt Revenue		26,84,050
Depreciation Reserve Fund—Lighthouses and Lightships		13,90,886
General Reserve Fund—Lighthouses and Lightships		35,90,477
Total	83,38,409	45,21,14,477

Reserve Fund—Railways Cr. Rs. 5,89,06,557

Reserve Fund Investment Account—Railways Dr. Rs. 43,00,335

Depreciation Reserve Fund—Railways Cr. Rs. 36,60,71,936

Loans to Branch line companies Dr. Rs. 9,17,164

Depreciation Reserve Fund Investment Account Dr. Rs. 31,20,910

51. The balance at credit of the Railway Reserve Fund in the general books on 31st March, 1941 was Rs. 5,89,06,557.

With the separation of railway finances from general finances, general revenues receive an annual contribution from Railways, which is calculated in the manner indicated in Account No. 22-A of the Combined Finance and Revenue Accounts, and any surplus remaining after making this payment is transferred to the Reserve Fund. During 1940-41, a sum of Rs. 6,31,32,958 was credited to the Fund. This amount includes Rs. 6,30,06,506 being contribution from Revenue and Rs. 1,26,452 representing profit realised on the cancellation of investment made in the Hardwar-Dehra Railway shares. The debit to the Fund during the year amounted to Rs. 90,12,515 which is the difference between the original cost of certain lines dismantled and the amount debited to the Depreciation Reserve Fund on that account.

Amounts may be withdrawn from the Reserve to secure the payment of the annual contribution to general revenues ; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital ; and to strengthen the financial position of Railways in order that the services rendered to the public may be improved and rates and fares may be reduced. The Reserve may also be used for temporary borrowings for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget estimate, subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.

The balance of the fund has since 1924-25 been used partly in writing down the value of stores, payment of contribution to general revenues and to meet deficits in the working of the railways.

The balance of Rs. 43,00,335 under Reserve Fund Investment Account—Railways represents the amount invested from the Reserve Fund in shares of certain Branch Line Companies. The face value of these shares was Rs. 45,78,700.

The *Depreciation Reserve Fund—Railways* provides generally for the cost of renewals of all assets. The amount set aside annually to cover depreciation is one-sixtieth of the total capital at charge at the end of the previous year. The Fund includes provision in respect of company-managed railways also, though the procedure for accountal followed in their case is somewhat different.

During the period 1931-32 to 1935-36 the balance of the Fund was utilised temporarily to meet losses in working the Railways. A portion of the amount so utilised was, however, repaid to the Fund from the surplus for the year 1936-37. The net amount of these losses at the end of 1937-38 was Rs. 30,29,32,559. The repayment of this amount has been postponed till 1st April, 1942 or the fixation under Section 187 (1) of the Government of India Act, 1935, of the sum therein referred to, whichever is earlier.

A sum of Rs. 32,26,416 representing the cost of abandoned assets which was held in the books of the Railway Board under capital was debited to this Fund in 1937-38.

Out of the credit balance of Rs. 36,60,71,936 at the end of 1940-41 under this head a sum of Rs. 33,78,12,177 relates to Commercial lines and Rs. 2,82,59,759 to Strategic lines.

Eleven cases of misclassification noticed during the year resulted in a net short debit of Rs. 89,916 to the Fund.

Loans to Branch Lines.—A sum of Rs. 9,17,164 (Rs. 9,00,000 in 1933-34, Rs. 8,531 in 1939-40 and Rs. 8,633 in 1940-41) has been advanced from the Depreciation Reserve Fund to certain Branch Line Companies to meet capital expenditure.

Depreciation Reserve Fund Investments Account.—A sum of Rs. 31,20,910 has been invested from the Depreciation Reserve Fund in shares of Branch Line Companies.

Renewals Reserve Fund—Posts and Telegraphs .. Cr. Rs. 1,94,70,571

52. This Reserve Fund is designed to meet the cost of all replacements and abandoned assets. The annual contribution from Revenue to the Reserve Fund has been fixed at Rs. 23,05,000 per annum from the 1st April, 1939. The amount of contribution relating to each branch of the Department for the year 1940-41 has been arrived at by apportionment of the total amount mentioned above, in the following proportions fixed by the Finance Department—

Post Office	..	..	..	..	..	..	10 per cent.
Telegraphs	..	..	..	..	..	..	60 per cent.
Telephones	..	..	..	..	..	..	25 per cent.
Radios ..	..	..	..	..	..	..	5 per cent.

The position of the Reserve in respect of each branch of the Department at the close of 1940-41 is shown below :—

	Rs.
Post Office	6,43,408
Telegraphs	1,50,93,176
Radio Telegraphs	2,06,893
Telephone	35,27,094

Renewals Reserve Fund—Northern India Salt

Revenue	Cr. Rs. 26,84,050
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53. The Depreciation Reserve Fund of the Northern India Salt Revenue Department which was instituted in 1924-25 was replaced by a “ Renewals Reserve Fund ” from the 1st April, 1938 with a fixed annual contribution of Rs. 1,30,000.

Depreciation Reserve Fund—Lighthouses and

Lightships	Cr. Rs. 13,90,886
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General Reserve Fund—Lighthouses and Lightships

.. .. .	Cr. Rs. 35,90,477
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54. The Depreciation Reserve is intended to provide for renewals and replacements of wasting assets.

The General Reserve is built up by transferring from the Income and Expenditure account of the Department the surplus of the receipts over the expenditure of each year. It is charged with the amounts of deficiencies, if any, in the Income and Expenditure account. Capital expenditure may also be met out of this Reserve.

These Reserves have been deposited with Government. The interest earned thereon is treated as income of the department.

PART II.—DEPOSITS NOT BEARING INTEREST.

55. This part consists of three main divisions, namely :—

(1)	India.		England.	
	Dr.	Cr.	Dr.	Cr.
	Rs.	Rs.	£	£
(2)	(3)	(4)	(5)	
(A) Sinking Funds .. ..	..	13,81,66,092	..	..
(B) Reserve Funds	14,938	8,38,67,280	7,499,969	7,500,000
(C) Other Deposit Accounts ..	1,033	9,12,71,853	..	..
Total ..	15,971	31,33,05,225	7,499,969	7,500,000

(A) SINKING FUNDS.

Sinking Fund for Central Loans Cr. Rs. 13,81,66,092

56. The credit balance under this head represents the provision made against depreciation of the market price of the 5 per cent. Loan 1945—55. The money accumulating in this fund is available for purchasing the securities of this loan in the open market when their market value falls below the issue price and thus secures the two objects of stabilising the market and reducing Government liabilities at a comparatively low cost to Government. The total balance in the fund including interest on previous investments amounted to Rs. 13,81,66,092 the whole of which remained uninvested at the end of 1940-41.

The regular sinking funds now in operation in England for amortisation of Sterling Debt are the Railway Sinking Funds created at different dates for the redemption of the India Stock (and a small portion of the Rupee Debt) issued in part payment of the liabilities assumed by Government on the purchase of the capital of some of the old guaranteed Railway Companies. The total amount of debt undergoing redemption by these Sinking Funds is £13,175,511, of which £11,022,956 have been redeemed to end of 1940-41. As the annual payments in respect of these Sinking Funds are utilised in the purchase and cancellation of debt, the balances of the Funds do not constitute a part of the balanced account of the Secretary of State.

(B) RESERVE FUNDS.

57. The details are :—

(1)	India.		England.	
	Dr.	Cr.	Dr.	Cr.
	Rs.	Rs.	£	£
(2)	(3)	(4)	(5)	
Silver Redemption Reserve	7,500,000
Silver Redemption Reserve Investment Account	7,499,969	..
Defence Reserve Fund	1,05,00,005	..	..
Equalisation Fund—Defence Services	1,38,06,432	..	..
Telephone Development Fund	1,86,61,046	..	..
Central Road Fund	2,85,35,276	..	..
Sugar Excise Fund	2,04,643	..	..
General Police Fund	24,503	..	..
Civil Aviation Fund	2,76,734	..	..
Panth Piploda Reserve Fund	15,206	..	..
Panth Piploda Reserve Fund Investment Account	14,938	..	..	..

	India.		England.	
	Dr.	Cr.	Dr.	Cr.
	Rs.	Rs.	£	£
(1)	(2)	(3)	(4)	(5)
Fund for the Economic Development and Improvement of Rural Areas	..	52,78,299	..	..
Fund for the Development of Civil Aviation	18,35,411	..	..
Fund for the Development of Broadcasting	5,84,105	..	..
Fund for Special Frontier Expenditure including Development	15,15,343	..	..
Depreciation Reserve Fund Government Presses	12,41,387	..	..
Renewals Reserve Fund—Defence Services	13,88,890	..	..
Total ..	14,938	8,38,67,280	7,499,969	7,500,000

Silver Redemption Reserve Cr. £ 7,500,000

Silver Redemption Reserve Investment Account .. Dr. £ 7,499,969

58. The primary object of the Silver Redemption Reserve is to provide sterling assets for transfer to the Issue Department of the Reserve Bank of India against delivery by the Bank of rupee coin, in accordance with the proviso to Section 36 (1) of the Reserve Bank of India Act. Except for some small amount of cash, the entire balance of the Reserve is invested in sterling securities. The Reserve including the invested portion is in the custody of the Secretary of State.

The intention is to maintain this Reserve at a market value of Rs. 10 crores. It may be increased by receipts from any of the following sources, namely :—

- (a) proceeds of sales of silver from the Surplus Silver Stock,
- (b) payments from the Bank under Sections 36 (2) and 36 (3) of the Act,
- (c) profits from any casual sales of gold by the Bank accruing to Government as part of its share of the profits of the Bank, and
- (d) capital appreciation of the securities.

The Reserve is liable to diminution from two causes, namely :—

- (i) transfer of assets to the Bank under the proviso to Section 36 (1) of the Act to meet sterling liabilities in respect of return of coin, and
- (ii) capital depreciation of securities.

Receipts from the first three sources are regarded as available for replenishment of the Reserve only to the extent of any deficiency caused by previous payments to the Bank, any excess in the corpus of the Reserve over Rs. 10 crores being credited to the head "Purchases and Sales of Silver". As a matter of accounting machinery and in order to avoid the record of silver sales under two different heads, all such sales are recorded in the first place under the head "Purchases and Sales of Silver", any amount appropriated to the Silver Redemption Reserve being credited to the Reserve. Capital depreciation constitutes the first charge on the interest realised from the Securities held in the Reserve, and only the net amount

of interest in any year, after making good any depreciation suffered during that year, is creditable to Revenue. If in any year there is a net appreciation in investments belonging to the Reserve, the amount of such appreciation together with all the interest receipts of that year is creditable to Revenue.

The balance on 31st March, 1941 was made up as follows :—

				Nominal amount. £	Market value. £
Investments :—					
British Government	5% Conversion Loan, 1944—64	..	..	1,000,000	
Do.	2½% Funding Loan, 1952—57	..	..	1,379,100	
Do.	2½% National Defence Loan, 1944—48	..	..	4,018,800	
Do.	2½% Conversion Loan, 1944—49	..	..	68,700	
Do.	2% Conversion Loan, 1943—45	..	..	984,300	
Total				7,450,900	7,499,969
Add—Uninvested (included in general cash balance)					31
					£ 7,500,000

The securities are lodged at the Bank of England.

Defence Reserve Fund Cr. Rs. 1,05,00,005

Equalisation Fund—Defence Services Cr. Rs. 1,38,06,432

59. All operations on these Funds and the Renewals Reserve Fund, Defence Services (see paragraph 68) have been suspended from 1st April, 1939 and for the duration of the War in consequence of the financial arrangement between His Majesty's Government and the Government of India in respect of Defence Services.

Telephone Development Fund Cr. Rs. 1,86,61,046

60. A Telephone Development Fund has been created from the 1st April, 1938 to finance telephone projects including telegraph line works required primarily for telephone development. Ordinarily only such expenditure of a capital nature would be debitable to this fund as is required for works which are of a remunerative character. In exceptional cases, it might be necessary to finance out of this Fund works of a protective nature also required for the above purposes. A sum of Rs. 2½ crores, being the estimated cost of telephone works for a period of 5 years beginning with the year 1938-39 has been credited to this head by debit to " 69—Capital Outlay of the Indian Posts and Telegraphs—Appropriation to the Telephone Development Fund ". Expenditure on telephone projects during a year is initially booked under the head " 69-A " and at the end of the year is transferred to the Fund. The expenditure so transferred is, however, included in the total interest bearing capital outlay. The Posts and Telegraphs Department does not, however, pay interest on the amount appropriated to the Fund nor does it receive interest on the unutilised balances of the Fund.

A further sum of Rs. 4½ crores was appropriated to this Fund in 1940-41 by debit to the Posts and Telegraphs Capital account for payment to the Government Telephone Board formed for the purpose of acquiring the shares of the Telephone Companies at Calcutta, Bombay and Madras. The intention is that the assets acquired by the Board will be amalgamated with the Posts and Telegraphs assets in 1943, the Board being an *interim* device to secure earlier possession. The Posts and Telegraphs Department will have to pay interest on the entire expenditure met from the

above appropriation, but this charge will be recovered from the Board until the assets are amalgamated. As the Board earned no profits during 1940-41, it was decided that neither the Board nor the Department should pay interest in that year.

Central Road Fund **Cr. Rs. 2,85,35,276**

61. The head has been introduced for the adjustment of the additional revenue derived from the enhanced duties on motor spirit as a result of the recommendation of the Indian Road Development Committee. From the money accumulating under this head grants have been made to Provincial Governments and others for expenditure on any of the following objects, namely :—

- (i) on the construction of new roads and bridges of any sort ;
- (ii) on the reconstruction or substantial improvement of existing roads and bridges ;
- (iii) on the interest and amortisation of loans taken after the 21st April, 1934 but approved or sanctioned before the 5th March, 1937 and spent on the construction, reconstruction or substantial improvement of roads and bridges ;
- (iv) in special cases, on the maintenance of roads and bridges, constructed, reconstructed or substantially improved from the Road Account since 1930 ;
- (v) in special cases, on the maintenance of roads or bridges constructed, reconstructed or substantially improved from loans approved or sanctioned by the Governor-General in Council after the 21st April, 1934 ;
- (vi) to meet charges including the cost of establishment connected with the control of motor transport and with the preparation of schemes of Road Development, or with the administration of provincial Boards of Communications.

This deposit head has also been debited with the cost of administering the Central Road Fund and the expenditure upon schemes for such research and intelligence and upon such special enquiries connected with roads and upon special grants-in-aid for such objects connected with roads as the Governor-General in Council has approved, these charges being met out of the portion constituting the reserve at the disposal of the Central Government. The amount at credit of this head on the 31st March, 1941 represents the undisbursed balance of the Central Road Fund held in deposit.

Sugar Excise Fund **Cr. Rs. 2,04,643**

62. An amount equivalent to one anna of excise duty per hundredweight of sugar was originally set aside for the purpose of assisting the cultivators of sugarcane in securing fair prices for their cane. The funds were to be distributed only upon the submission of approved schemes by the Provincial Governments. With effect from 1st April, 1939 it has been decided that the first call upon this Fund should be the requirements of the Imperial Institute of Sugar Technology, Cawnpore. Next,

money is found for properly co-ordinated schemes of sugar research and cognate activities conducted by the Imperial Council of Agricultural Research. The balance is available for grants to Provincial Governments on schemes ancillary to the Imperial Council of Agricultural Research Schemes designed to test the results of those schemes in particular areas. The amount set apart from the excise duty on sugar and the receipts of the Imperial Institute of Sugar Technology are credited to the Fund and the amount of disbursements on account of grants to Provincial Governments and other authorised expenditure is debited to it.

General Police Fund **Cr. Rs. 24,503**

63. This fund was established under the Police Act of 1861 and was financed partly from the receipts of levies for punitive police and partly from receipts in connection with police employed for the benefit of private individuals and firms. The continuance of the Fund being illegal under the Government of India Act, 1935, it has been abolished and the balance credited to general revenues in 1941-42.

Civil Aviation Fund **Cr. Rs. 2,76,734**

64. An amount equivalent to the additional duty on petrol consumed for aviation purposes is transferred as a block grant to this Fund by debit to the head "44-Aviation—Appropriation to Civil Aviation Fund". The actual expenditure met from this Fund on account of grants-in-aid to flying clubs, and on the training of pilots, etc., is initially brought to account under "Special Grants-in-aid from the additional tax on petrol consumed for aviation purposes" subordinate to the major head 44-Aviation, and is ultimately transferred to this Fund by book adjustment at the end of the year.

Panth Piploda Reserve Fund **Cr. Rs. 15,206**

Panth Piploda Reserve Fund Investment Account .. **Dr. Rs. 14,938**

65. The Panth Piploda Reserve Fund was opened in 1939-40 to record the balance of annual contributions for supervision charges recovered from the Thakurs of Panth Piploda in excess of actual requirements. A portion of the Fund was invested in Government securities and Postal Cash Certificates. The debit balance in the Investment Account represents the cost price of these investments. The interest realised on the investment is credited to the Fund.

The acceptance of the balances is still awaited.

Fund for the Economic Development and Improvement of Rural Areas	Rs.
	Cr. 52,78,299
Fund for the Development of Civil Aviation ..	Cr. 18,35,411
Fund for the Development of Broadcasting ..	Cr. 5,84,105
Fund for special Frontier Expenditure including Development	Cr. 15,15,343

66. These funds were created out of the revenue surplus which accrued to the Central Government at the close of the years 1934-35 and 1935-36 in order to finance certain measures of public utility.

The amount at credit of the Fund for the Economic Development and Improvement of Rural Areas is intended for distribution to the Provinces and centrally ad-

ministered areas for expenditure on schemes for the amelioration of the condition of the cultivators and rural classes.

The Fund for the Development of Civil Aviation is intended for the development and organisation of air routes in India.

The Fund for the Development of Broadcasting provides a reserve for constructing a large transmitting station in Delhi and ultimately a similar new station at Madras, for improving and extending the existing stations at Calcutta and Bombay and provision of transmitters and receiving centres at other stations in India.

The Fund for Special Frontier Expenditure including Development is intended for the construction of roads in tribal areas in the North-West Frontier Province and for various schemes of economic development in those areas.

Depreciation Reserve Fund—Government Presses . . . Cr. Rs. 12,41,387

67. This Reserve Fund is credited with depreciation calculated on the depreciated value of the plant, machinery and furniture in use in Government of India Presses as also with the residual book value of plant, machinery and furniture disposed of during the year. Appropriations from the Reserve are made to meet the cost of replacement of plant, machinery, etc. The balance, as per separate register maintained in the Audit Office, is Rs. 12,41,473-13-1. The difference is under adjustment in the accounts for 1941-42.

Renewals Reserve Fund—Defence Services . . . Cr. Rs. 13,88,890

68. The details of this account are as follows.

Military Commands and Districts.	Name of the Fund.				Total.
	Army Ordnance and Clothing Factories.	Dairy Farms.	Grass Farms.	Medical Store Depots and Workshops.	
	(2) Rs.	(3) Rs.	(4) Rs.	(5) Rs.	(6) Rs.
(1)					
Northern Command .. ..	..	35,302	1,09,912	..	1,45,214
Lahore District .. ..	..	50,737	85,664	528	1,36,929
Southern Command .. ..	..	1,92,107	26,990	49,472	2,68,569
Eastern Command .. ..	..	99,147	—280	..	98,867
Army Factory Accounts ..	7,39,311	..	..	..	7,39,311
Total ..	7,39,311	3,77,293	2,22,286	50,000	13,88,890

These reserves were established with the approval of the Secretary of State with the object of setting aside a certain sum annually to cover the wastage of capital assets such as plant, buildings and live and dead stock, in use in the quasi-commercial undertakings of the Army, and so to maintain their efficiency.

As stated in paragraph 59, all operations on these Funds have been suspended from 1st April, 1939.

Deposits of Local Funds Cr. Rs. 36,02,962

70. The details by Provinces are :—

(1) Funds.	(2) Central Revenues.	(3) Baluch stan.	(4) Madras.	(5) Bombay.	(6) Bengal.	(7) United Provin- ces.	(8) Punjab.	(9) Bihar.	(10) Central Provin- ces and Berar.	(11) Assam.	(12) North- West Frontier Province.	(13) Sind.	(14) Coorg.	(15) Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
District Funds ..	1,07,396	..	..	..	..	..	..	..	..	..	..	..	15,507	1,22,903
Municipal Funds ..	62,833	3,45,160	..	..	..	..	..	..	..	..	..	..	47,878	4,55,871
Cantonment Funds ..	1,28,126	..	29,489	1,56,130	25,440	85,283	37,833	5,000	40,138	..	67,599	..	..	5,75,038
Town and Bazar Funds	12,637	2,73,244	..	..	..	..	..	..	..	18,281	15,682	..	..	3,19,844
Port and Marine Funds	..	..	5,52,277	..	2,002	..	..	..	..	..	..	29	..	5,54,368
Depreciation Reserve Fund, Vizagapatam Port ..	..	..	457	..	..	..	..	..	..	..	..	..	..	457
Education Funds ..	334	..	..	..	..	..	..	..	..	..	..	..	..	334
Medical and Charitable Funds ..	25,123	..	..	..	..	..	..	1,12,255	..	..	..	..	..	1,37,378
Other Miscellaneous Funds ..	9,65,853	..	..	4,65,902	..	..	..	..	..	..	..	..	4,924	14,36,769
Total ..	13,02,302	6,18,404	5,82,223	6,22,122	27,502	85,283	37,833	1,17,255	40,138	18,281	83,281	29	68,309	36,02,962

71. These are mostly cash balances in the current accounts of local funds and other local authorities which are permitted to use the Government treasuries as their banks. Each fund has an administrator, either a public officer or a committee, and the verification consists firstly, in reconciling the figures as between the broadsheets which are posted from the treasury *plus* and *minus* memoranda and the ledger, and secondly in ascertaining how far the administrator accepts the balance standing at his credit on the Government books.

There is a difference of Rs. 3,927 between the ledger balance and the corresponding figure in the broadsheet relating to District Funds under Central Revenues. The discrepancy is under settlement. The balance shown in one acceptance certificate in respect of District Funds under Coorg differs from the book balance and the difference is under reconciliation. The balances under Central Revenues relating to District Funds, Medical and Charitable Funds and Other Miscellaneous Funds have not been accepted in all cases. Acceptance certificate is also awaited in one case against Town and Bazar Funds under Baluchistan.

The balance under "Depreciation Reserve Fund, Vizagapatam Port" is the net balance excluding Rs. 5,66,345 invested in securities.

Deposits of Branch Line Companies Cr. Rs. 88,806

72. The balance under this head is the net amount of the deposits with the Government made by Branch Line Railway Companies for capital expenditure on their lines.

The details are :—

Railways.	Cr. Rs.
Ahmedabad Parantij	563
Baripada Talband	4,881
Central Provinces and Pulgaon Arvi	478
Sara Sirajgunj	—1,242
Cooch Behar	14,395
Dhond Baramati	2,802
Guzerat	505
Jammu Kashmir	2,414
Khoolna Bagerhat	11,314
Mandra Bhon	33
Pachora Jamner	12,741
Rajpura Bhatinda	15,976
Sialkot Narowal	19
Tapti Valley	2,818
Mymensingh Bhairbbazar	14,134
Peraloam Karaikkal	2,038
Travancore Chakri Thambanur extension	15
Quilon Trivandrum	4,935
Chaparmukh Silghat	12
Sarhind Ruper	—9
Pondicherry	13
Katakhal Lalbazar	—29
Total	88,806

The above balance (*viz.* Rs. 88,806) agrees with that shown in the books of the Companies except in respect of certain branch lines worked by the North Western Railway where the certificates accepting the balances are awaited. On the Assam Bengal Railway the balances could not be accepted in two cases due to wrong adjustments which have since been set right in 1941-42.

Civil Deposits

73. The transactions brought to account under this head relate mainly to sums members of
The following

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Funds.	Central Revenues.	Supply Accounts, Civil.	Baluchistan.	Madras.	Bombay.	Bengal.	United Provinces.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue Deposits ..	4,32,250	..	61,055	2,25,782	3,70,448	11,86,728	26,156
Civil and Criminal Courts Deposits	1,53,583	..	78,232	1,33,720	..	..	..
Personal Deposits ..	2,42,365	..	1,56,726	15,35,035	98,41,833	93,90,074	1,61,049
Political Agents Deposits	..	..	..	..	..	..	..
Shipping Masters' Deposits	..	..	..	221	12,919	2,785	..
Public Works Deposits ..	16,16,454	..	8,681	5,152	180	33,214	..
Forest Deposits ..	..	..	..	..	14,515	..	..
Indian Stores Department Deposits .. ..	..	22,06,729	..	..	..	..	..
Steel Deposits .. ..	..	3,78,872	..	..	..	..	..
Trust Interest Funds ..	87,253	..	..	8,790	34,061	1,109	..
Deposits of the Tea Cess Fund .. ..	..	..	..	65,339	10,763	1,44,313	..
Deposits of the Lao Cess Fund .. ..	..	..	..	658	190	34,984	..
Deposits of the Cotton Cess Fund .. ..	..	..	..	1,578	22,035	1,587	..
Deposits of Coffee Cess Fund .. ..	..	..	..	9,612	272	11	..
Indian Research Fund ..	—14,718	..	..	150	..	..	..
Unclaimed Provident Fund Deposits	58,612	..	..	53	2,305	2,412	2,779
Deposits account of railway freight for Kharaghoda Salt ..	..	..	..	..	6,710	..	..
Deposits on account of Police Fund ..	28,124	..	59,313	..	..	..	..
Deposits of fees received by Government servants for work done for private bodies	6,741	..	240	3,208	4,579	6,215	70
Deposits on account of moneys received on account of the King Emperor's Anti-Tuberculosis Fund .. ..	..	..	..	..	15	12	..
Deposits of the surplus estates of deceased officers, deserters and others of the Indian Army	18,582	..	..	..	..	..	..

Cr. Rs. 3,33,04,497

deposited with Government in the daily course of public business by or on behalf of the public.

are the details :—

(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Punjab.	Bihar.	Central Provinces and Berar.	Assam.	North- West Frontier Province.	Orissa.	Sind.	Coorg.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
33,796	6,466	1,836	75,294	19,198	..	2,26,920	49,172	27,15,101
..	5,023	3,70,558
1,70,140	1,65,473	8,201	4,01,646	4,39,651	2,339	7,64,519	258	2,32,79,309
..	51,690	..	..	..	51,690
..	167	..	16,082
1,845	..	13	..	..	..	..	5,725	16,71,264
..	14,515
..	22,06,729
..	3,78,872
1,104	..	8,612	..	..	..	..	252	1,41,181
..	4	..	2,20,419
..	3	..	35,835
..	..	372	..	..	..	12,432	..	38,004
..	3	..	9,898
..	1,817	—12,751
..	66,161
..	6,710
..	2,589	..	..	..	..	90,026
..	7	..	21,110
4,903	4,930
..	18,582

(1) Funds.	(2) Central Revenues.	(3) Supply Accounts, Civil.	(4) Baluchi- stan.	(5) Madras.	(6) Bombay.	(7) Bengal.	(8) United Provinces.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Repatriation Deposits ..	26,720	..	..	..	..	..	..
Deposits on account of revenue collected on behalf of H. H. the Khan of Kalat ..	..	..	3,291	..	..	..	..
Deposits of money receiv- ed for H. E. the Vice- roy's War Purposes Fund	213	..	9	..	14,677	16,585	..
Deposits on account of money received for Indian Red Cross So- ciety and St. John Am- bulance Association ..	..	..	..	..	19,103	55	..
Repatriation and other Deposits of Pilgrims ..	..	..	..	..	..	..	..
Deposits for work done for Indian States, pub- lic bodies, or private in- dividuals .. ..	..	..	..	..	..	..	..
Deposits of Defence Loans	16,72,798	..	..	..	11,915	..	1,688
Deposit account of Tungan Gold .. ..	..	..	..	..	..	..	..
Miscellaneous Deposits ..	..	..	..	25	29	..	..
Total ..	43,28,977	25,85,601	3,67,547	19,89,323	1,03,66,549	1,08,20,084	1,91,742

sits—concl'd.

(9) Punjab.	(10) Bihar.	(11) Central Provinces and Berar.	(12) Assam.	(13) North- West Frontier Province.	(14) Orissa.	(15) Sind.	(16) Coorg.	(17) Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
..	..	..	..	..	..	..	..	26,720
..	..	..	..	..	..	..	..	3,391
1,39,430	3,288	6,089	11,329	757	..	2,268	4,833	1,99,478
27,669	6	164	..	..	..	..	2	46,999
..	..	..	..	..	..	6,867	..	6,867
..	419	..	..	..	..	..	..	419
5,124	..	..	..	..	..	3,461	..	16,94,986
-18,642	..	..	..	..	..	..	..	-18,642
100	..	..	..	..	..	..	..	154
3,65,469	1,75,652	25,287	4,90,858	5,11,296	2,339	10,16,691	67,082	3,33,04,497

74. Revenue, Civil and Criminal Courts' deposits are not kept distinct in the North West Frontier Province, where the whole of the civil work (Revenue, Judicial and Criminal) is in charge of the same Deputy Commissioner. A similar arrangement is also in vogue in some of the districts in the Punjab.

There are two entirely different systems of deposit accounts. The first may be called the detailed plan, in which every receipt is treated as a separate item and every payment charged against some particular receipt. The second is the ledger plan, that is, a running account is kept of receipts and payments on some particular account (an estate, an institution, etc.). To every Ledger Account there is an "Administrator", the person authorized to pay money into the treasury or draw it out. Deposits kept on the latter plan are termed Personal Deposits.

The verification of the balance on the first plan is as follows :—

The receipts and payments, which are recorded in detail in deposit registers, are posted monthly by totals into a proof sheet which provides columns for recording the repayments of deposits credited in the same year and in each of the three preceding years. At the end of the year balances are struck upon the proof sheet separately for the different districts for each of the four years. The balance of the first year is usually written off the deposit account, as all balances unclaimed for more than three complete accounts years are ordinarily credited to Government. The aggregate balance on the proof sheet is then agreed with the balance on the general books of the class of deposits concerned and finally reconciled with the *plus* and *minus* memoranda received from treasuries or, where necessary, with the accounts received from Civil and Criminal Courts. The verification of the ledger form of deposit account consists mainly in agreeing the balance with that claimed by the administrator.

Revenue Deposits Cr. Rs. 27,15,101

75. These are mainly deposits made in Revenue Courts or in connection with the revenue administration. They also include earnest money deposits made by intending tenderers for contracts, etc., in the Civil Departments. Deposits on account of Civil and Criminal Courts in the North-West Frontier Province are also included under this head. In one case in the United Provinces there was a discrepancy between the District balance and the treasury *plus* and *minus* memorandum. In the Punjab there was a difference of Rs. 50 in the figures of the ledger balance as compared with the proof sheet and treasury registers. Acceptance certificate is awaited in one case in the North-West Frontier Province.

Personal Deposits Cr. Rs. 2,32,79,309

76. The transactions recorded under this head are of the nature of a banking deposit account. It has been verified that no personal ledger account was opened except with the sanction of the competent authority. Certificates of acceptances of balances are still awaited in two cases in Baluchistan, sixteen in Bombay, three in the United Provinces, twenty five in the Punjab, two in Bihar, and in one case in the North-West Frontier Province. In one case in Madras the balance shown in the certificate of acceptance is under reconciliation with the book balance. In the United Provinces, the balance of the personal ledger accounts agrees with the ledger except in seven treasuries.

There was an overdrawal in one case in the North-West Frontier Province which was made good in April, 1941.

Political Agent's Deposits **Cr. Rs. 51,690**

77. This deposit head is intended for the record of receipts coming into the hands of the Political Agents and Deputy Commissioners in the North-West Frontier Province administering tribal areas for disbursement to tribes, which prior to the abolition of certain irregular funds were kept out of Government accounts.

Public Works Deposits **Cr. Rs. 16,71,264**

78. Cash deposits from subordinates and contractors as security, deposits for works to be done for private persons and public bodies, sums due to contractors on closed accounts and unclassified items of miscellaneous receipts, are adjusted under this head. The amount represents the net balance excluding Rs. 1,033 in the Punjab, which has been deposited in the Post Office Savings Bank.

Indian Stores Department Deposits **Cr. Rs. 22,06,729**

79. The balance represents the amount deposited in advance by *quasi*-public bodies and Indian States, etc., for purchase of stores through the Indian Stores Department as well as the amounts deposited by contractors of the Indian Stores Department for the due performance of their contracts.

Steel Deposits **Cr. Rs. 3,78,872**

80. The balance represents amount deposited in advance by indentors in respect of steel purchased in the United States of America.

Trust Interest Funds **Cr. Rs. 1,41,181**

81. The balance under this head represents mainly the amount of the interest payment orders issued in connection with the payment of interest on Government securities held in trust remaining unpaid on 31st March, 1941.

The balance under Central Revenues includes Rs. 83,800 on account of discharged value of securities invested in the accounts of Trust Interest Fund.

Indian Research Fund **Cr. Rs.—12,751**

82. This head is intended to record the transactions of the Indian Research Fund Association. The balance under Central Revenues (—Rs. 14,718) includes the balances under the following sub-heads *viz.*, (1) Indian Research Fund Association (—Rs. 35,348), (2) Deposit Account of the grant made by the Indian Research Fund Association (—Rs. 103) and (3) Indian Research Fund Association Contributory Provident Fund (Rs. 20,733). The debit balance against (1) above is due to overdrawal in 1940-41 which has since been made good. Acceptance certificate in respect of this balance is awaited. The debit balance against (2) is due to expenditure incurred in excess of the credit balance.

Unclaimed Provident Fund Deposits **Cr. Rs. 66,161**

83. The balance represents the amounts in the General Provident Fund and the Contributory Provident Fund remaining unclaimed for a period exceeding six months.

Deposit Account of Railway Freight for Kharagodha Salt **Cr. Rs. 6,710**

84. Money received from contractors in respect of removal of salt from Kharagodha is credited to this head and the debits raised by the Railways on account of freight charges are met from these credits.

Deposits on account of Police Fund **Cr. Rs. 90,026**

85. Acceptance of the balance is awaited in the case of Baluchistan.

**Deposits on account of moneys received on account of
the King Emperor's Anti-Tuberculosis Fund** .. **Cr. Rs. 4,930**

86. This deposit head accommodates receipts at treasuries on account of the King Emperor's Anti-Tuberculosis Fund pending remittance to the authorities concerned.

Repatriation Deposits **Cr. Rs. 26,720**

87. This is a temporary minor head opened to accommodate deposits from the British Indians residing in Iraq.

**Deposits of money received for His Excellency the Viceroy's
War Purposes Fund** **Cr. Rs. 1,99,478**

88. In the Punjab, seven certificates of acceptance of balance are still awaited.

**Deposits on account of money received for Indian Red
Cross Society and St. John Ambulance Association** .. **Cr. Rs. 46,999**

89. Two certificates of acceptance of balance have not been received in the Punjab. The accounts mentioned in this paragraph and in paragraph 88 were opened for the reception of contributions towards the Funds concerned at places where there are no branches of the Imperial Bank of India.

Repatriation and Other Deposits of Pilgrims **Cr. Rs. 6,867**

90. The repatriation deposits of pilgrims granted pilgrim passes for Iraq or Hejaz and additional deposits received from those intending to make overland journey are credited to this head pending payment to the Port Haj Committee, Karachi.

**Deposits for work done for Indian States, public bodies or
private individuals** **Cr. Rs. 419**

91. This represents sums received in advance from Municipalities or other bodies financially independent of Government for payment of compensation for land acquired for them as well as amounts deposited by Indian States for survey work to be done by Government officers in the States.

Deposits of Defence Loans **Cr. Rs. 16,94,986**

92. Cash credits on account Defence loans are adjusted under a Deposit head pending their adjustment in the books of the Accountant General, Central Revenues, under the respective loan heads under Section N. after reconciliation of the amounts reported by the Public Debt Office with the corresponding amounts brought to account in Government books.

The principal amount included in the above balance is a sum of Rs. 16,21,170 representing loan receipts relating to the 3 per cent. (2nd Defence loan), 1949-52 which could not be allocated between "Loan" and "Interest" before the close of the year.

Deposit account of Tungan Gold **Cr. Rs. — 18,642**

93. The balance under this head represents expenditure incurred in connection with the Tungan refugees, which will be met from the sale proceeds of Tungan gold deposited in the Calcutta Mint and accounted for in 1941-42.

Other Deposits **Cr. Rs. 4,91,57,942**

94. These comprise the deposits on the books of the non-Civil Account Officers, the details of which are as follows :—

	Cr. Rs.
Posts and Telegraphs	1,29,69,551
Defence	1,44,63,767
Railways	2,17,24,624
Total	4,91,57,942

Posts and Telegraphs Deposits **Cr. Rs. 1,29,69,551**

95. The details are :—

	Cr. Rs.
Dead Savings Bank Accounts	1,35,90,767
Unclaimed General Provident Fund Deposits	60,016
Trust Interest Accounts	184
Foreign Money Orders	—32,18,336
Unclaimed Savings Bank deposits of less than Rs. 2 on 1st August, 1940	12,32,919
Other items	13,04,001
Total	1,29,69,551

96. Savings Bank Accounts in which no transactions have taken place for a specified period are transferred to a separate ledger called *Dead Savings Bank Ledger*. The amount outstanding in this ledger does not lapse to Government but is retransferred to the current Savings Bank Ledger when the account is revived on the application of the depositor.

The balance under the head *Unclaimed General Provident Fund Deposits* represents the amounts in the Provident Funds remaining unclaimed for a period exceeding six months after they become payable under the rules. These unclaimed amounts are transferred to the head "Deposits" at the end of each year.

The balance under *Trust Interest Accounts* represents the interest on Government securities held on behalf of Posts and Telegraphs employees and contractors remaining unpaid at the close of the year under report.

The debit balance under *Foreign Money Orders* represents net transactions on account of money orders exchanged with foreign countries. A sum of Rs. 16,76,057 out of the outstanding balance has been adjusted in 1941-42.

Unclaimed Savings Bank Deposits of less than Rs. 2 .. Cr. Rs. 12,32,919

97. Due to certain amendments to the Savings Bank rules with effect from 1st August, 1940, the Savings Bank accounts having balances of less than Rs. 2 on 31st July, 1940 have been treated as dead and the balances remaining unclaimed have been transferred at the end of 1940-41 to the minor head "*Unclaimed Savings Bank Deposits of less than Rs. 2 on 1st August, 1940*" specially opened for the purpose. Any future claims of the depositors of these accounts will be met from the balances outstanding under the above head.

98. The balance under *Other Items* is composed of :—

								Cr. Rs.
Fixed Deposits	..	..	..	..	..	..	..	5,49,576
Trunk Call Deposits	..	..	..	..	..	..	..	16,947
Indian Postal Orders	..	..	..	..	..	..	..	93,089
Miscellaneous	..	..	..	..	..	..	..	6,44,389
Total								13,04,001

The balance under *Fixed Deposits* includes deposits made by the firms, presses and other bodies and individuals for telegrams sent on the Deposit Account system. Under this system a deposit of an amount approximately equivalent to the cost of telegrams for a specified period is made by the parties concerned, and the telegrams sent daily are accepted by the Telegraph Offices without prepayment. The actual cost of the telegrams sent during a period is recovered by the department by presentation of bills. Under this head are also included deposits made by holders of Post Boxes for locks and keys supplied to them. These deposits are paid back to the parties when the service ceases.

Telephone subscribers who are not Government officials used to be required to make a deposit to enable them to make calls over the Trunk Telephone lines from their telephones. This system has, however, been held in suspense as an experimental measure from the 1st October, 1936 and the deposits held at the time are being adjusted against Trunk Call bills. The balance under *Trunk Call Deposits* represents balance of these deposits at the end of the year 1940-41.

The balance under *Indian Postal Orders* represents the difference between receipts and payments in respect of Indian Postal Orders issued during 1940-41.

The balance under the head *Miscellaneous* is made up of a number of miscellaneous accounts such as excess credits in the cash accounts, miscellaneous deposits not coming under any other category, balance of British penny postage stamps held in stock, short payment of recoveries of wrong payment of money orders, customs duty on Foreign Mail parcels, cash certificates short payments, etc. The balances have been verified with the exception of a few items aggregating Rs. 1,88,616. Out of this a sum of Rs. 5,362 has since been adjusted in the accounts for 1941-42.

Defence Services Deposits Cr. Rs. 1,44,63,767

99. The particulars are detailed below :—

Name of the Military Commands and Districts.	Name of the Deposits.			Trust Interest Account.	Miscellaneous.	Total.
	Security Deposits.	Unclaimed Provident Fund Deposits.	Field Deposits.			
(1)	(2) Rs.	(3) Rs.	(4) Rs.	(5) Rs.	(6) Rs.	(7) Rs.
Northern Command	4,63,556	..	..	..	8,75,977	13,39,533
Military Accounts and Pensions, Lahore	4,60,227	17,526	3,75,466	415	27,79,519	36,33,153
Southern Command	2,83,894	..	..	..	1,14,315	3,98,209
Eastern Command	3,84,917	84	—833	73	86,482	4,70,723
Royal Air Force .. ..	..	..	..	..	2,945	2,945
Army Factory Accounts	1,64,467	1,914	..	..	348	1,66,729
Naval Accounts	17,925	..	..	..	65,818	83,743
Supply Accounts, Defence	2,26,299	..	..	..	—7,016	2,19,283
Field Accounts, Poona .. ..	..	..	75,67,234	..	5,82,215	81,49,449
Total	20,01,285	19,524	79,41,867	488	45,00,603	1,44,63,767

100. The balances under the head *Security Deposits* represent mainly the security deposits received in cash from contractors and others by the officers of the Defence Department.

101. The balances under *Unclaimed Provident Fund Deposits* represent the amounts credited to the General Provident Fund and other Miscellaneous Provident Funds of the employees of the Defence Department but remaining unclaimed for a period exceeding six months.

102. The balances under *Field Deposits* represent the net result of credit and debit balances standing to the credit of officers and personnel serving overseas. The balances under this head in the books of the Field Controller of Military Accounts, Poona have not been agreed with the aggregate balances of individual accounts.

103. The balances under the head *Trust Interest Account* represent the undischarged amount of interest due to contractors on their deposits.

104. The balances under *Miscellaneous* include (i) amounts on account of sale of coupons by Dairy Farms, (ii) amounts due to contractors on closed account, (iii) closing balance of stock purchases, (iv) deposits of work done for local bodies, (v) earnest money deposits, (vi) imprest cash advances made by the Air Ministry Pay Masters to Indian Forces Overseas and cash advances by District Treasurer, Nairobi, to Imprest holders pending the receipt of debits and (vii) other miscellaneous deposits.

State Railway Deposits Cr. Rs. 2,17,24,520

Trust Interest Fund Cr. Rs. 104

105. The details are :—

(1) Name of Deposit.	State Railways. Capital. Rs. (2)	State Railways. Revenue. Rs. (3)	Total. Rs. (4)
1. Security deposits of subordinates .. .. .	..	7,65,999	7,65,999
2. Security deposits of contractors and others	2,49,400	38,26,875	40,76,275
3. Deposits for work done for private persons and public bodies	1,01,102	15,94,633	16,95,735
4. Unpaid wages	2,855	3,66,011	3,68,866
5. Sums due to contractors on closed accounts .. .. .	..	74,898	74,898
6. Net earnings on worked lines .. .. .	..	82,66,794	82,66,794
7. Private Companies .. .. .	..	10,14,842	10,14,842
8. Special Renewal Suspense Account .. .. .	..	4,59,000	4,59,000
9. Miscellaneous	1,91,698	48,10,413	50,02,111
Total	5,45,055	2,11,79,465	2,17,24,520

A sum of Rs. 4,548 representing the aggregate amount of unclaimed Provident Fund items of over Re. 1 each was credited to earnings instead of being retained under 'Deposits'. The error in classification came to notice during test-audit.

106. The balance under Private Companies has been cleared or accepted by the parties concerned except on the Bengal and North Western Railway.

The balance under *Trust Interest Fund* represents interest received on the Government Promissory notes of contractors, which was not paid to them before the close of the year under report.

Other Accounts Cr. Rs. 21,21,037

107. The details of the balances in the various deposit accounts under this head are :—

(1) Name of Deposit Account.	(2) Central Revenues.	(3) Balu- chistan.	(4) Bombay.	(5) Punjab.	(6) North- West Frontier Pro- vince.	(7) Coorg.	(8) Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Subventions from Central Road Fund	4,05,830	1,36,202	..	..	22,256	..	5,64,288
Deposit Account of Grants for Economic Development and Improvement of Rural Areas	5,940	57	..	4,442	..	..	10,439
Deposit Account of the grant made by the Imperial Council of Agricultural Research.	—30,699	1,892	..	..	..	..	—28,807
Deposit Account of grants from the Central Government for the development of handloom industries.	513	..	..	..	..	..	513
Deposit Account of the Dangs .. .. .	..	..	12,03,629	..	..	..	12,03,629
Balance of Coorg .. .. .	..	..	..	..	..	3,70,975	3,70,975
Total	3,81,584	1,38,151	12,03,629	4,442	22,256	3,70,975	21,21,037

Subventions from Central Road Fund **Cr. Rs. 5,64,288**

108. This head is credited with subventions made from the Central Road Fund to Minor Administrations under the Central Government and in the tribal areas in the North-West Frontier Province for expenditure on approved scheme of road development and other objects mentioned in paragraph 61 and is debited with expenditure met from these grants. The balances under this head represent the amounts of the allotments from the Central Road Fund not spent on road development schemes, etc. to end of the year. Certificate of correctness of the debits and credits to the Fund and acceptance of balance are awaited in the North-West Frontier Province.

Deposit Account of Grants for Economic Development and

Improvement of Rural Areas **Cr. Rs. 10,439**

109. The above head is credited with grants from the Fund for the Economic Development and Improvement of Rural Areas, to centrally administered areas to be spent on schemes for the amelioration of the conditions of the cultivators and the improvement of rural areas. The balance under this head represents the amount of the grant from the Fund not spent to the end of the year.

**Deposit Account of the grant made by the Imperial Council
of Agricultural Research**

Cr. Rs. —28,807

110. This head records transactions connected with grants received from the Imperial Council of Agricultural Research for expenditure on schemes of agricultural research and other allied objects. The debit balance under Central Revenues is due to expenditure on certain veterinary research schemes having been incurred prior to receipt of deposit from the Imperial Council of Agricultural Research. A sum of Rs. 37,600 out of Rs. 41,684 due has been recovered in 1941-42. Acceptances of balances under Central Revenues are awaited.

Deposit Account of the Dangs **Cr. Rs. 12,03,629**

111. The receipts and payments connected with the administration by the Crown Representative of the Dangs area in Surat District in Bombay, are accounted for under this head in the books of the Accountant General, Bombay.

Balance of Coorg **Cr. Rs. 3,70,975**

112. The outstanding balance under this head represents the balance of the Government of Coorg in deposit with the Central Government on the 31st March, 1941.

Transactions connected with the War, 1939

The War Risks (Goods) Insurance Fund **Cr. Rs. 29,95,576**

113. This represents the balance of the War Risks (Goods) Insurance Fund which was established by Section 9 of the War Risks (Goods) Insurance Ordinance, 1940, in connection with goods Insurance Scheme put into operation by the Central Government from the 1st October, 1940, in accordance with the provisions of Section 5 of the Ordinance.

PART III.—ADVANCES NOT BEARING INTEREST.

114. The classes of transactions included under this group are the following :—

						India. Rs.	England. £
Advances Repayable .. .. .	..	..	..	..	Dr.	1,32,83,946	4,209
Permanent Advances (Civil, Posts and Telegraphs and Railways)	..	..	..	..	Dr.	3,40,815	..
Accounts with His Majesty's Imperial Government	..	..	..	..	Dr.	..	4,138
Accounts with Foreign Governments and Indian States	..	..	..	..	Dr.	37,39,355	..
Accounts with the Government of Burma	..	..	..	..	Cr.	1,08,77,215	..
Accounts with the Reserve Bank	..	..	..	..	Dr.	9,26,376	..
Coinage Accounts .. .. .	..	..	..	..	Dr.	7,19,69,816	..
Total					..	Dr. 7,93,83,093	8,347

Advances Repayable (India)

116. The *Civil Advances* include (i) various special accounts of large advances or of recurring outlay which are recoverable from different sources and (ii) a number of petty miscellaneous advances arising in the course of business and recoverable within a short time. The former are usually watched through separate accounts working up to the ledger; the latter pass only as a single account upon the ledger, but are recorded in detail in the Objection Books, through which the recoveries are watched. In the latter case, the ledger balance has to be agreed with the aggregate of the details in the "Objection Books", and in the former, similar reconciliation is necessary in those cases in which different classes of transactions are included in the same account.

Objection Book Advances Dr. Rs. 11,14,083

117. The ledger balances against this head are agreed with those shown in the broadsheets maintained in the Civil Account Offices and, therefore, with the aggregate of the items recorded as outstanding in the Objection Books. The discrepancies of Rs. 4,327 in Central Revenues, Rs. 146 in Assam and Rs. 160 in Bengal between the balances in the ledger and those in the broadsheets are still under settlement.

The credit balance in Bombay is due to a book adjustment of Rs. 1,33,617 on account of operative loss on silver coinage during 1940-41, carried out by credit to this head and debit to "49—Mint—Loss on Coinage" pending transfer of an equivalent amount from the Government Account to the stock of surplus rupees. The credit balance under 'Objection Book Advances' has been cleared in 1941-42.

A sum of Rs. 400 relating to this head in Central Revenues was written off as irrecoverable in the accounts for 1940-41.

Other Advances Dr. Rs. 1,68,785

118. The outstandings under this head represent the balance of various advances for departmental and other purposes.

The outstandings are either verified with separate accounts maintained in Civil Account Offices or agreed with the detailed statements received from the officers holding such advances. The credit balance under Sind has been cleared in 1941-42.

Special Advances Dr. Rs. 33,05,400

119. This head records advances granted to Government officers and others under special orders of Government. A sum of Rs. 290 was written off during 1940-41 in Madras.

Advances for Survey Operations Dr. Rs. 36,848

120. The balance under this head represents the amounts of outstanding advances for expenditure on surveys, which are recoverable from private owners and other parties. There is a difference of Rs. 59 between the ledger balance and the balance in the broadsheet maintained for the purpose.

Salt and Excise Advances Dr. Rs. 105

121. The balance under this head represents amounts recoverable on account of Salt Storage Works. A sum of Rs. 32 was written off during the year under report.

Advances Recoverable—Posts and Telegraphs Dr. Rs. 7,97,280

122. The balance is composed of :—

	Rs.
(i) Objection Book Advances	7,11,742
(ii) Overpayment of Money Orders	15,205
(iii) Cash Certificate overpayments	—1,296
(iv) Customs duty on foreign mail articles	58,276
(v) Excess debit or short credit of Customs duty realisation	1,292
(vi) Miscellaneous	12,061
Total ..	<u>7,97,280</u>

There was a difference of Rs. 4,037 between the aggregate of the ledger balances and that of the separate accounts maintained in the audit office, out of which a sum of Rs. 2,321 has been adjusted. A sum of Rs. 14,788 involving 310 cases was written off during the year under report.

123. Item (i), Objection Book Advances, represents mainly amounts of pay bills of Railway Mail Service officers remitted for disbursement and the outstanding advances of pay and travelling allowances granted to officials at the time of their transfer. It also includes departmental losses which will either be recovered from the officials responsible for them or will have to be written off to Revenue. The balance includes an unadjusted sum of Rs. 20,328 out of the amount of Rs. 50,048 defalcated in the Madras General Post Office in March and April 1938. A sum of Rs. 2,400 has been ordered to be recovered from the officials at fault and the remainder, viz., Rs. 17,928 has been ordered to be written off.

Items (ii) Overpayment of Money Orders, (iii) Cash Certificate overpayments and (v) Excess debit or short credit of Customs duty realisation relate to overpayments which will be adjusted either by recoveries from the public or from Departmental officials responsible for making overpayments or short credits or by write-off to Revenue.

Item (iv) Customs duty on foreign mail articles relates to the amount of customs duty levied on articles of inward foreign mails credited to the Civil Department in advance of recovery of the amount from the addressees of the articles.

Item (vi) Miscellaneous relates to the amounts advanced to Electric companies as security deposits. It also includes the balance of amount advanced for family allotment.

Advances Recoverable—Defence **Dr. Rs. 78,49,413**

124. The details are :—

(1)	(2)	Advances Repayable.			(6)
		(3)	(4)	(5)	
Military Commands and Districts.	Permanent Advances.	Advances proper.	Navy Bill Receivable.	Advances from Military Treasure Chests.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.
Northern Command	70,913	2,07,147	..	—6,205	2,71,855
Military Accounts and Pensions, Lahore	66,705	1,60,360	..	..	2,27,065
Southern Command	99,296	3,96,727	..	—48,199	4,47,824
Eastern Command	1,36,091	4,94,216	..	—7,819	6,22,488
Royal Air Force	10,515	..	..	..	10,515
Army Factory Accounts	10,860	15,117	..	..	25,977
Naval Accounts	550	—11,385	3,06,005	..	2,95,170
Supply Accounts, Defence	550	1,00,155	..	..	1,00,705
Field Accounts, Poona	20,250	58,27,564	..	..	58,47,814
Total	4,15,730	71,89,901	3,06,005	—62,223	78,49,413

Permanent Advances **Dr. Rs. 4,15,730**

125. Certificates of acceptance of balances under this head are awaited in seven cases in the Military Accounts and Pensions, Lahore and five cases in the Southern Command.

Advance Proper **Dr. Rs. 71,89,901**

126. *Northern Command.*—The balance includes Rs. 2,01,241 representing advances made to various newly raised units and Rs. 5,906 on account of advances for officers' mess equipment.

Military Accounts and Pensions, Lahore.—The balance is composed of (i) Rs. 35,191 on account of advances to recruiting officer, Hong Kong Singapore, Royal Artillery, Singapore as imprest, (ii) Rs. 35,050 on account of advances paid to units and formations for the purchase of officers' mess equipment, (iii) Rs. 94,355 on account of advances paid to newly raised units, etc., (iv) Rs. 26,911 being the balance of advances against the Field Imprest holders and (v)—Rs. 31,147 representing the balance of unadjusted amounts transferred to the office of the Field Controller of Military Accounts, Poona on the transfer of the Field accounts to that office from other Military Accounts offices.

Southern Command.—The major items comprising the balance are (i) Rs. 1,60,636 on account of balance in respect of advances paid to newly raised units, (ii) Rs. 78,275 on account of closing balance of the cash accounts of the Field Cashiers at Bombay and Deolali, (iii) Rs. 23,939 on account of advances paid by the Field Cashiers to the Air Ministry personnel and (iv) Rs. 61,734 being expenditure debited to this head for want of full particulars.

Eastern Command.—The balance includes (i) Rs. 16,980 representing cost of stores due from the Tibet Government, (ii) Rs. 29,887 on account of unexpended balance of cash accounts of certain units, (iii) Rs. 2,35,265 on account of interest free advances paid to newly raised units and formations for regimental purposes and (iv) Rs. 2,01,380 representing balance of advances made to Recruiting Officers for Gurkhas, Military Engineer officers, etc., to meet the expenditure on account of advances of pay, etc., to recruits and other personnel.

The credit balance under Naval Accounts is mainly due to advances received by His Majesty's Indian ships from the Aden treasury and the Union Bank of Scotland, debits for which are awaited.

The principal items comprising the balance against Field Accounts, Poona, are (i) advances relating to the Field Cashiers' account (Rs. 6,08,813), (ii) outstanding Imprest Holders' accounts (Rs. 33,73,633), (iii) advances adjustable in the office of the Controller (Rs. 10,63,360) and (iv) amount outstanding under Advances—Unit Accountants (Rs. 7,68,868).

Navy Bills Receivable	Dr. Rs. 3,06,005
-----------------------	----	----	----	----	------------------

127. The balance represents claims against His Majesty's Navy for cash and stores supplied to or work done for His Majesty's ships. A sum of Rs. 2,99,206 has been adjusted during 1941-42, leaving a balance of Rs. 6,799.

128. The credit balances under the head *Advances from Military Treasure Chests* represent the value of cheques remaining uncashed on the 31st March, 1941.

Advances Repayable (England)—

High Commissioner for India	Dr. £4,209
-----------------------------	----	----	----	----	------------

129. The balance represents the outstanding amount of various advances made by the High Commissioner. This amount includes an item of £3,711 for maintenance

in England of Indian students temporarily stranded on account of the War or experiencing delay in receiving remittances from India.

Permanent Advances Dr. Rs. 3,40,815

130. The following are the details :—

Dr.

Rs.

Civil—

Central Revenues	..	..	..	..	..	..	96,020
Supply Accounts, Civil	..	..	..	..	..	..	8,575
Baluchistan	..	..	..	..	..	..	20,715
Madras	..	..	..	..	..	..	10,839
Bombay	..	..	..	..	..	..	27,800
Bengal..	..	..	..	..	..	..	50,435
United Provinces	..	..	..	..	..	..	4,550
Punjab	..	..	..	..	..	..	6,715
Bihar ..	..	..	..	..	..	..	2,385
Central Provinces and Berar	..	..	..	..	..	..	2,620
Assam	..	..	..	..	..	..	7,825
North-West Frontier Province	..	..	..	..	..	..	43,675
Orissa ..	..	..	..	..	..	..	415
Sind ..	..	..	..	..	..	..	2,495
Coorg ..	..	..	..	..	..	..	2,850

Total Civil .. 2,93,914

Posts and Telegraphs	..	..	..	..	..	..	13,858
Railways	..	..	..	..	..	..	33,043

Total .. 3,40,815

131. These advances are granted to officers of Government who have to meet contingent expenditure before they can place themselves in funds by drawing bills on treasuries, etc. Certificate accepting the balance has not been received in one case under Central Revenues. In two cases in Coorg, the balances shown on the acceptance certificates are under reconciliation. Under Central Revenues, there is a discrepancy of Rs. 250 between the ledger balance and the aggregate of the balances shown in the separate registers.

The Posts and Telegraphs balance includes Rs. 5,000 held by the Superintendent, Postal Seals, Aligarh as working capital.

The balance against Railway, viz., Rs. 33,043 represents the amount of imprest or cash held by the Home Boards of the company worked railways and their Consulting Engineers in England. A sum of Rs. 1,050 was transferred from Permanent Advances, Railway, to State Railway Cash Balances without financial adjustment.

Accounts with His Majesty's Imperial Government Dr. £ 4,138

132. The details of the balance are :—

								£
Secretary of State	..	..	..	..	..	..	..	1,610
High Commissioner	..	..	..	..	..	..	..	2,528
						Total	..	<u>4,138</u>

The debit balance in the accounts of the Secretary of State represents miscellaneous expenditure on behalf of the Imperial Government. It consists of amounts paid in 1940-41 which are expected to be adjusted in 1941-42.

The debit balance in the High Commissioner's accounts is made up of (i) pensions (£2,350) issued to retired officers of the Central Government in respect of their services in various departments of the Imperial Government, (ii) salaries (£173) issued to two officers of the India Store Department, London, whose services have been lent to the Imperial Government and (iii) freight and shipping charges (£5) on stores shipped to India on behalf of the Imperial Government by the India Store Department. The amounts against (i) and (ii) have been recovered in 1941-42 and action is being taken for the recovery or adjustment of the amount against item (iii).

Dr. Rs. 37,39,355

Accounts with Foreign Governments and Indian States

133. The details of the balance are :—

[Credit +, Debit—.]

(1)	(2) Central Revenues.	(3) Supply Accounts, Civil.	(4) Baluchistan.	(5) Madras.	(6) Bombay.	(7) Bengal.	(8) Punjab.	(9) Total.
Civil—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. His Majesty's Colonial Govern- ment, Ceylon	—1,01,691	..	..	..	..	..	..	—1,01,691
2. His Majesty's Colonial Govern- ment, Straits Settlements ..	—1,06,074	..	..	..	..	..	..	—1,06,074
3. His Majesty's Colonial Govern- ment, Mauritius	—84,099	..	..	..	..	..	..	—84,099
4. His Majesty's Colonial Govern- ment, Hongkong	+1,56,636	..	..	..	..	..	..	+1,56,636
5. His Majesty's Colonial Govern- ment, Aden .. ..	..	..	..	..	+65,015	..	..	+65,015
6. His Majesty's Protectorate Gov- ernment, Federated Malaya States	—4,29,871	..	—118	..	..	..	..	—4,29,989
7. His Majesty's Protectorate Gov- ernment, Kedah States ..	—14,436	..	..	..	..	..	..	—14,436
8. His Majesty's Protectorate Gov- ernment, Perlis	—428	..	..	..	..	..	..	—428
9. His Majesty's Protectorate Gov- ernment, Sarawak	+264	..	..	..	..	..	..	+264

10. His Majesty's Protectorate Government, Uganda ..	+945	..	..	..	..	..	..
11. His Majesty's Protectorate Government, Nyassaland ..	+1,405	..	..	..	..	..	+1,405
12. His Majesty's Protectorate Government, Somaliland ..	+145	..	..	..	..	..	+145
13. His Majesty's Colonial and Protectorate Government, Kenya...	-2,61,816	..	..	..	..	..	-2,61,816
14. His Majesty's Colonial Government, Rhodesia	-28,103	..	..	..	..	..	-28,103
15. The Government of Tanganyika Territory	+640	..	..	..	..	..	+640
16. Command Paymaster, Singapore	-2,337	..	..	..	..	..	-2,337
17. Command Paymaster, Hongkong	+7,234	..	..	..	..	..	+7,234
18. Charges on account of Quarantine Officers recoverable from the Iran Government ..	-61,963	..	..	..	..	..	-61,963
19. Accounts with other Foreign States	-2,134	..	..	..	..	..	-2,134
20. Account Current with Indian States	-52,545	-19,804	..	-20,93,642	+35,085	-6,32,405	-27,52,433
Total Civil ..	-9,78,228	-19,804	-118	-20,93,642	+1,00,100	-6,32,405	-36,13,219
Posts and Telegraphs ..	..	..	..	..	..	..	-1,26,136
Total ..	..	..	..	..	..	..	-37,39,355

134. The outstandings under *Colonial and other Foreign Governments* represent generally the balances due by or to those Governments, the accounts of which were not settled at the close of the year.

As per separate register maintained in the Account Office, the amount of charges on account of Quarantine Officers recoverable from the Iran Government is Rs. 61,699. The discrepancy will be settled when the final orders of the Central Government are received regarding the adjustment of the outstanding amount.

135. The following are the details of the balances under *Account Current with Indian States* :—

Central Revenues.

							Dr. Rs.	Cr. Rs.
Hyderabad	..	..	..	..	..	..	7,852	..
Alwar	..	..	..	..	..	..	200	..
Jhalawar	..	..	..	..	..	..	..	17
Tonk	..	..	..	..	..	..	..	839
Bikaner	..	..	..	..	..	..	830	..
Indore	..	..	..	..	..	..	542	..
Bharatpur	..	..	..	..	..	..	40,067	..
Kotah	..	..	..	..	..	..	217	..
Dholpur	..	..	..	..	..	..	67	..
Jaipur	..	..	..	..	..	..	246	..
Gwalior	..	..	..	..	..	..	307	2
Datia	..	..	..	..	..	..	900	..
Panna	..	..	..	..	..	..	900	..
Chattarpur	..	..	..	..	..	..	450	..
Samthar	..	..	..	..	..	..	180	..
Baoni	..	..	..	..	..	..	180	..
Sarilla	..	..	..	..	..	..	90	..
Dungarpur	..	..	..	..	..	..	67	..
Karauli	..	..	..	..	..	..	12	..
Mewar	..	..	..	..	..	..	123	..
Bhopal	..	..	..	..	..	..	122	..
Rewa	..	..	..	..	..	..	123	..
Rampur	..	..	..	..	..	..	..	72
Total							53,475	930
Net Dr.							52,545	

All the balances shown above have been adjusted in 1941-42 except those relating to Tonk, Indore, Karauli, Mewar, Bhopal and Rewa and a sum of Rs. 17 against Kotah, Rs. 816 against Bikaner and Rs. 183 against Gwalior.

This represents the outstanding balance in respect of stores purchased by the Indian Stores Department on behalf of the H. E. H. the Nizam's State Railway. The balance has been fully adjusted in 1941-42.

							Dr.	
							Rs.	
Travancore	28,481
Cochin	40,658
Mysore	20,24,503
								<hr/> 20,93,642

Bombay.

							Cr. Rs.
Sawantwadi	..	..	..	..	..	..	26,799
Kolhapur ..	..	..	..	..	..	..	1,640
Jath ..	..	..	..	..	..	..	6,646
							<hr/> 35,085

								Dr.
								Rs.
Cooch Behar	6,31,085
Patna	69
Jashpur	136
Bamra	69
Ambikapur	136
Khairaghar	136
Keonjhar	136
Bastar	69
Raipur	69
Rajnandgaon	69
Nandgaon	51
Gangpur	67
Raigarh	123
Mayurbhanj	123
Kankar	67
								6,32,405

Out of the balance shown above against Cooch Behar, a sum of Rs. 6,31,015 is the balance of Government money lying in the Cooch Behar State treasury which under special arrangements makes payment and receives money on behalf of Government. The amount does not, therefore, represent any claim outstanding against the State. The residual balance against the Cooch Behar State as well as the balances against the other States are on account of claims outstanding against them. A sum of Rs. 848 has since been recovered and the remaining amounts are in course of recovery.

Punjab.

	Dr.	Cr.
	Rs.	Rs.
Kashmir .. .. .	..	4,08,522
Bahawalpur .. .. .	..	1,57,283
Malerkotla .. .. .	..	8,394
Patiala	1,25,253	..
Kapurthala	1,11,624	..
Jind .. .. .	..	1,33,592
Faridkot	1,69,162	..
Chamba .. .. .	..	268
Nabha	41,171	..
Mandi .. .. .	..	3,211
Suket .. .. .	..	512
Bikaner	2,70,371	..
Kalsia .. .. .	..	1,341
Sirmur .. .. .	..	4,756
Poonch	2,321	..
Khairpur .. .. .	..	7,084
Loharu .. .. .	..	917
Patodi .. .. .	..	455
Garhwal .. .. .	..	7,167
Ramgarh .. .. .	..	48
	7,22,762	7,33,580
Net Cr.		10,578

The outstanding debit balances against the various States have since been recovered.

136. The *Posts and Telegraphs* balance is made up of (i) Rs. 49,895 (credit) representing net payments by Post Offices on account of money orders exchanged with Indian States, (ii) Rs. 2,12,230 as net payments made by Post Offices into Durbar treasuries, (iii) Rs. 36,455 (credit) on account of transfers of Savings Bank Accounts between Indian Post Office Savings Bank and the Postal Savings Banks of foreign countries and (iv) Rs. 256 representing the balance of the accounts exchanged between the Indian Posts and Telegraphs Department and His Majesty's Colonial Government, Aden. The entire balance has been adjusted in the accounts for 1941-42.

Accounts with the Government of Burma Cr. Rs. 1,08,77,215

137. The balance under this head represents the financial transactions of the Central Government with the Government of Burma remaining unadjusted through the Reserve Bank of India at the close of the year. The balance has been cleared in 1941-42.

Accounts with the Reserve Bank Dr. Rs. 9,26,376

138. The receipts and payments on account of the Reserve Bank occurring in Government (Central) treasuries are recorded under this head until they are cleared by the Accountant General with the Bank. The details are :—

								Rs.
Central Revenues	..	..	..	..	..	..	Cr.	44,177
Baluchistan	..	..	..	..	..	..	Dr.	1,054
Madras	..	..	..	..	..	..	Dr.	1,673
Bombay	..	..	..	..	..	..	Dr.	7,46,825
Bengal	..	..	..	..	..	..	Dr.	395
Punjab	..	..	..	..	..	..	Cr.	17,605
Assam	..	..	..	..	..	..	Cr.	141
North-West Frontier Province	..	..	..	..	..	..	Dr.	277
Coorg	..	..	..	..	..	..	Dr.	213
Total							Dr.	6,88,514
Railways	..	..	..	..	..	..	Dr.	2,37,862
Total							Dr.	9,26,376

The balance has since been cleared except a sum of Rs. 122 on the Eastern Bengal Railway.

Coinage Accounts

139. The follow

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Heads of Account.	India.	Baluchistan.	Madras.	Bombay.	Bengal.	United Provinces.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bullion Advances ..	..	..	..	—20,86,797	—16,03,290	..
Bronze (and Copper) Coinage Account	+18,71,815	..	..	—10,61,806	—24,13,469	..
Nickel Coinage Account ..	+1,22,97,351	..	..	—57,87,495	—37,75,009	..
Quaternary Coinage Account	+1,47,20,755	..	..	—3,62,36,468	—2,45,93,683	..
Small Coin Depot Balances	—10,20,790	—1,79,600	—24,17,110	—12,21,565	—62,00,970	—16,06,222
Quaternary Rupee Coin Balances .. ..	..	..	..	—61,12,000	..	..
Total ..	+2,78,69,131	—1,79,600	—24,17,110	—5,25,06,131	—3,85,86,421	—16,06,222

FINANCE ACCOUNTS. CENTRAL GOVERNMENT.

161

Dr. Rs. 7,19,69,816.

ing are the details:—

[Credits +, Debits—.]

(8) Punjab.	(9) Bihar.	(10) Central Provinces and Berar.	(11) Assam.	(12) North-West Frontier Province.	(13) Orissa.	(14) Sind.	(15) Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	R
..	..	..	..	..	..	..	—36,90,087
..	..	..	..	..	..	..	—16,03,460
..	..	..	..	..	..	..	+27,34,847
..	..	..	..	..	..	..	—4,61,09,396
..	..	..	..	..	..	..	—1,71,89,720
—17,65,690	—12,40,985	—6,62,938	—1,92,325	—1,27,075	—75,150	—4,79,300	—61,12,000
..	..	..	..	..	..	..	—7,19,69,816
—17,65,690	—12,40,985	— 6,62,938	—1,92,325	—1,27,075	—75,150	—4,79,300	

Bullion Advances **Dr. Rs. 36,90,087**

140. The debit balance represents the value of bullion received in the Mints but not cleared by coin delivered.

Bronze (and Copper) Coinage Account **Dr. Rs. 16,03,460**

141. The balance represents the difference between the value of metal in store *plus* the amount of bronze coins in the Mints on the 31st March, 1941 and the profit on coins in stock on that date in the Mints and Small Coin Depots, which is not credited to revenue before actual issue of the coins. The details of these balances on the 31st March, 1941 are as follows :—

		Calcutta. Rs.	Bombay. Rs.
(1) <i>Bronze Mintage Account</i> , being the value of metal in store in the Mints on 31st March, 1941	Dr.	18,32,369	5,62,606
(2) <i>Bronze Coin Account</i> , being the amount of bronze coins in the Mints on 31st March, 1941	Dr.	5,81,100	4,99,200
(3) <i>Mint Profit Account</i> , being the profit on coins in stock on the above date in the Mints and Small Coin Depots not yet brought to credit as revenue	Cr.	18,71,815	..
	Total Dr.	34,75,275	
	Total Cr.	18,71,815	
	Net Dr.	16,03,460	

There is a discrepancy of Rs. 32,333 in Bengal between the ledger balance shown above under Bronze Mintage account and that shown in the Mint Master's statement and store account of Bronze Mintage due to the fact that the latter does not take into account certain adjustments carried out in the accounts of March, 1941 supplementary (2nd batch).

The difference of Rs. 6,77,076 between the account figures and the Mint Store Account in Bombay represents mainly unadjusted debits on account of the value of stores supplied by the India Store Department.

Nickel Coinage Account **Cr. Rs. 27,34,847**

142. The balance represents the difference between the value of nickel and cupro-nickel in store *plus* the amount of nickel coins in the Mints on the 31st March, 1941 and the profit on nickel coins in stock on that date in the Mints and Small Coin Depots which is not credited to revenue before actual issue of the coins. The details of these balances on the 31st March, 1941 are as follows :—

		Calcutta. Rs.	Bombay. Rs.
(1) <i>Nickel Mintage Account</i> , being the value of nickel, cupro-nickel and voleston in store on 31st March, 1941	Dr.	10,06,009	5,19,250
(2) <i>Nickel Coin Account</i> , being the amount of nickel coins in the Mint on 31st March, 1941	Dr.	27,69,000	52,68,245
(3) <i>Mint Profit Account</i> , being the profit on coins in stock on 31st March, 1941	Cr.	1,22,97,351	..
	Total Cr.	1,22,97,351	
	Total Dr.	95,62,504	
	Net Cr.	27,34,847	

Under Nickel Mintage Account there is a discrepancy of Rs. 1,37,840 in Bengal between the ledger balance and that shown in the Mint Master's statement as the latter does not include certain adjustments made in the accounts for March, 1941 supplementary (2nd batch). The balance in this account under Bombay also differs from the accounts of the Mint by Rs. 2,886 mainly owing to the value of nickel purchased by the India Store Department, London remained unadjusted in the Account Office in 1940-41.

Quaternary Coinage Account **Dr. Rs. 4,61,09,396**

143. The details of the balance are shown below :—

					Calcutta. Rs.	Bombay. Rs.
(1) Quaternary Mintage Account	..	..	..	..	Dr. 1,88,52,554	2,28,18,433
(2) Quaternary Coin Account	..	..	..	..	Dr. 57,41,129	1,34,18,035
(3) Mint Profit Account	..	..	..	..	Cr. 1,47,20,755	..
					Total Dr. 6,08,30,151	
					Total Cr. 1,47,20,755	
					Net Dr.	4,61,09,396

The balance against Quaternary Mintage Account represents value of quaternary silver and alloy in stock at the Mints on the 31st March, 1941 and that against Quaternary Coin Account represents the amount of quaternary coins in the Mints on that date. The balance against Mint Profit Account represents the profit relating to the coins in stock at the Depots and Mints on the 31st March, 1941.

Small Coin Depot Balances **Dr. Rs. 1,71,89,720**

144. This represents the non-legal tender coins kept in stock for delivery to treasuries as required. Not being actual available cash, the balance is held at debit of this account instead of as part of the general cash balance.

The details of the balance are :—

(1)	Silver. Rs.	Nickel. Rs.	Bronze and Copper. Rs.	Total. Rs.
	(2)	(3)	(4)	(5)
Central Revenues Depots	3,75,635	5,16,555	1,28,600	10,20,790
Baluchistan Depots	1,05,000	68,500	6,100	1,79,600
Madras Depots	16,22,405	6,27,020	1,67,685	24,17,110
Bombay Depots	6,58,800	4,81,800	80,965	12,21,565
Bengal Depots	47,14,030	12,04,950	2,81,990	62,00,970
United Provinces Depots	6,88,851	7,53,700	1,63,671	16,06,222
Punjab Depots	10,49,098	5,96,490	1,20,102	17,65,690
Bihar Depots	8,35,250	3,82,900	22,835	12,40,985
Central Provinces and Berar Depots	2,87,200	3,27,600	48,138	6,62,938
Assam Depots	1,21,500	64,050	6,775	1,92,325
North-West Frontier Province Depots	79,500	42,750	4,825	1,27,075
Orissa Depots	60,000	13,250	1,900	75,150
Sind Depots	2,20,900	2,29,500	28,900	4,79,300
Total	1,08,18,169	53,09,065	10,62,486	1,71,89,720

Instructions have been issued for keeping the balances of quaternary small coins separate from those of silver coins. In the case of Central Revenues, the correctness of the balances relating to the Depots in Burma has not been tested by a physical verification of coins. In Sind, one certificate of verification of balance is wanting.

Quaternary Rupee Coin Balances Dr. Rs. 61,12,000

145. This head accommodates transactions connected with the issue to, and return by, the Reserve Bank of India, of quaternary rupee coins. The debit balance represents the amount of quaternary rupee coins held in the custody of the Reserve Bank on the 31st March, 1941 for issue to treasuries. As in the case of the small coin depot balances, the balance of quaternary rupee coins held in stock is excluded from the general cash balance of Government.

PART IV.—SUSPENSE.

146. The classes of transactions included under this head are the following :—

		India.		England.
		Dr.	Cr.	Dr.
		Rs.	Rs.	£
		(2)	(3)	(4)
(1)				
Suspense Accounts	.. ..	46,50,45,271	..	4,647,557
Purchases and Sales of Silver	.. ..	30,20,97,966	..	..
Cheques and Bills	.. ..	..	34,51,628	..
Departmental and Similar Accounts	.. ..	2,42,22,030	..	..
Transactions connected with War, 1939	.. ..	..	284	..
Total	.. ..	79,13,65,267	34,51,912	4,647,557
Net Dr.	.. ..	78,79,13,355		4,647,557

Suspense Accounts (India)

147. The details of the

(1)	(2) Central Revenues.	(3) Supply Accounts, Civil.	(4) Madras.	(5) Bombay.	(6) Bengal.	(7) United Provinces.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Civil—						
Suspense Accounts—						
Objection Book Suspense ..	—6,475	+311	—4,117	—19,297	—4,827	..
Bushire Suspense	—1,11,347	..	..	..	..	..
Discount on Treasury Bills ..	..	..	—8,215	—1,41,013	—5,11,069	—732
Central Excise and Salt Suspense ..	—31,630	..	..	..	..	..
Other Suspense Accounts ..	—46,26,347	—13,92,963	+1,914	—9,91,310	—52,072	..
Central Accounts Office—						
Reserve Bank Suspense ..	+236	—13,349	..	..	..	..
English Stores Suspense	—47,469	..	..	..	..	..
Cash Balance Investment Account	—46,44,66,300	..	..	..	..	..
Discount Sinking Fund	—8,35,70,729	..	..	..	..	..
Departmental Adjusting Account ..	+8,002	+5,11,088	..	..	..	—5
Advance credit on account of Central transactions in non-Bank Provincial treasuries and sub-treasuries .. .. .	..	..	..	..	..	—2,00,000
Purchase of reserve stock of tear smoke equipment	—4,312	..	..	..	..	..
Indian Civil Service Family Pension Fund (transferred)	+8	..	..	..	..	..
Value of one rupee notes issued ..	—55,54,291	..	..	10,00,00,000	..	..
Total Civil ..	—55,84,10,654	—8,94,913	—10,418	9,88,48,380	—5,67,968	—2,00,737
Posts and Telegraphs .. ..	..	..	..	..	..	..
Defence .. .. .	..	..	..	..	..	..
Railways .. .. .	..	..	..	..	..	..
GRAND TOTAL ..	..	..	..	..	..	..

Dr. Rs. 46,50,45,271

balances are :—

(Credits+) Debits—.)

(8) Punjab.	(9) Bihar.	(10) Central Provinces and Berar.	(11) Assam.	(12) North-West Frontier Province.	(13) Orissa.	(14) Sind.	(15) Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
+1,21,851	—80,309	—560	—1,097	+12	+49	—36	+5,505
..	—1,11,347
—15,905	—2,611	—6,79,545
..	—31,630
+47	+2,206	..	+1,41,627	—69,16,898
..	—13,113
..	—47,469
..	—46,44,66,300
..	—8,35,70,729
..	—6	..	..	+5,19,079
—8,00,000	—10,00,000
..	—4,312
..	+8
..	+9,44,45,709
—6,94,007	—80,309	—560	—1,097	+2,212	+49	+1,38,980	—46,18,71,042
..	+3,97,540
..	+19,90,662
..	—55,62,431
..	—46,50,45,271

Objection Book Suspense **Cr. Rs. 5,505**

148. This is the main suspense head upon the Civil books. The transactions under this head represent items which due to insufficient information or other reasons cannot be allocated to the proper head in the Accounts. These entries are zealously watched, as there is a general rule that this head should not be operated upon without special orders in each case.

As in the case of balances under Objection Book Advances, the ledger balance under this head has to be agreed with the aggregate of the separate accounts in the Objection Books. There is a discrepancy of Rs. 120 under Central Revenues between the ledger and the broadsheet. The discrepancy is under settlement.

Bushire Suspense **Dr. Rs. 1,11,347**

149. The net outstanding balance under this head includes a sum of Rs. 1,25,725 being the balance of the amount recoverable from the Hejaz Government for the cost of arms and ammunition supplied by the Central Government.

Discount on Treasury Bills **Dr. Rs. 6,79,545**

150. The debits under this head relate to discount in respect of treasury bills issued to the public which did not accrue during the year under report, the debits being cleared by charge to revenue in the following year when the bills are paid off on maturity.

Other Suspense Accounts **Dr. Rs. 70,62, 692**

Cr. Rs. 1,45,794

151. The debit balance includes a sum of Rs. 18,39,071 outstanding in the books of the Accountant General, Central Revenues under the suspense head " Security Purchase Account ". This suspense account will be cleared on receipt of the orders of the Central Government, when the scheme of repatriation of Sterling Debt is finally closed.

The debit balance against " Other Suspense Accounts " also includes a sum of Rs. 6,64,299 outstanding in the books of the Controller of Supply Accounts, Civil, under " Stores purchase suspense ".

English Stores Suspense **Dr. Rs. 47,469**

152. Debits and credits on account of English Stores which appear in the Home Accounts, and which are required to be adjusted entirely and exactly in the Indian Accounts are taken under this head if they cannot be finally adjusted under the appropriate heads at once.

Cash Balance Investment Account **Dr. Rs. 46,44,66,300**

153. The balance under this head includes Rs. 46,43,86,300 being the balance of Rupee Securities created in connection with the scheme of the repatriation of Sterling Debt remaining unsold on 31st March, 1941 and a sum of Rs. 80,000 being the value of the Reserve Bank shares held by Government under Section 4 (8) of the Reserve Bank of India Act II of 1934.

Discount Sinking Fund Dr. Rs. 8,35,70,729

154. The discount on Rupee loans is charged in the first instance to this suspense head and is gradually written off by annual payments out of revenue, the instalments being calculated on a Sinking Fund basis. The balance is distributed as shown below :—

							Rs.
4½ per cent. loan, 1955-60	..	..	..	..	..	..	38,52,182
4 " " " 1960-70	..	..	..	..	..	..	4,91,46,366
4 " " " 1943	..	..	..	..	..	..	9,48,354
3½ " " " 1947-50	..	..	..	..	..	..	1,13,38,648
3 " " " 1941	..	..	..	..	..	..	1,67,317
3 " " " 1951-54	..	..	..	..	..	..	44,08,157
3 " " " 1963-65	..	..	..	..	..	..	1,37,09,705
Total						..	8,35,70,729

**Advance credit on account of Central transactions
in non-Bank Provincial treasuries and sub-
treasuries Dr. Rs. 10,00,000**

155. The balance represents the amount placed at the credit of the Governments of the United Provinces and the Punjab as a permanent deposit to cover the amount by which the Provincial balance is depleted on account of central transactions in non-Bank Provincial treasuries and sub-treasuries.

Value of one rupee notes issued Cr. Rs. 9,44,45,709

156. The balance represents the value of one rupee notes taken over during 1940-41 by the Reserve Bank of India for issue, less the share of receipts allocated to Burma.

Posts and Telegraphs Suspense Cr. Rs. 3,97,540

157. The balance is made up of :—

						Rs.
(i) Postage stamps with Telegraph Masters	..	..	..	..	Dr.	8,076
(ii) Trade Charges Money Orders	..	..	..	..	Cr.	2,95,084
(iii) Savings Bank Investment Account	..	..	..	..	Cr.	1,40,261
(iv) Miscellaneous	..	..	..	..	Dr.	29,729
Net Cr.						3,97,540

Item (i) represents the balances of stamp imprests held in cash by Telegraph Masters on the 31st March, 1941.

Item (ii) represents the amounts of 'Trade Charges Money Orders' held under suspense. By a special arrangement with certain foreign countries, the value of articles sent by Parcel post is collected from the addressees and the amounts so collected, technically called 'Trade Charges', are remitted to the senders by card Money Orders. These amounts are placed under 'suspense' pending settlement with the Administration concerned.

Item (iii) is composed of :—

		Rs.
Cost of Government Promissory Notes and Investment Certificates held in imprest by the Deputy Accountant General, Posts and Telegraphs, Calcutta for meeting the demands of Savings Bank depositors ..	Dr.	81,481
Interest on Government Promissory Notes due to living Savings Bank depositors	Cr.	230
Interest on Government Securities on behalf of deceased depositors ..	Cr.	1,59,273
Sale proceeds of Government Promissory Notes on behalf of deceased depositors	Cr.	61,811
Anticipatory interest on certain old loans	Cr.	428
Net Cr. ..		1,40,261

Item (iv) represents the net result of credits and debits taken to suspense for want of necessary particulars. It also includes a sum of Rs. 11,400 being the balance under the head 'Miscellaneous Posts and Telegraphs Advances', which records the transactions in connection with works executed for Railways, Canals, Military, etc., pending recovery from the Departments concerned and advance payments to contractors for departmental work pending adjustment.

Defence Suspense Cr. Rs. 19,90,662

158. The balance is made up of the following items :—

(Credits +, Debits—.)

(1) Military Commands and Districts.	(2) Sale proceeds of surplus Military lands and buildings.	(3) Other Suspense Accounts.	(4) Total.
	Rs.	Rs.	Rs.
Northern Command	+16,13,284	—61,276	+15,52,008
Military Accounts and Pensions, Lahore ..	..	—1,17,206	—1,17,206
Southern Command .. .. .	..	—45,661	—45,661
Eastern Command	+6,22,984	+3,595	+6,26,579
Army Factory Accounts .. .. .	..	+1,93,430	+1,93,430
Supply Accounts, Defence .. .. .	..	—2,22,932	—2,22,932
Field Accounts, Poona .. .. .	..	+4,444	+4,444
Total ..	+22,36,268	—2,45,606	+19,90,662

The credit balance under column (2) against Northern Command, brought forward from 1939-40, represents receipts accruing from the disposal of surplus military lands and buildings, held in suspense. The balance against Eastern Command represents the net balance of the amount realised from the sale of plots under the scheme for the Hastings Military Lands, Calcutta.

The outstanding balances shown under column (3) on the books of Military Accounts Officers are mostly miscellaneous debits and credits which could not be allocated to proper heads in the accounts of the year.

Railway Suspense Dr. Rs. 55,62,431

159. The balance is made up of :—

						Rs.
(i)	Remittance into Bank .. .. .	..	..	..	..	Cr. 1,37,128
(ii)	Reserve Bank Suspense .. .. .	..	..	..	..	Cr. 2,47,374
(iii)	Cheques and Bills .. .. .	..	..	..	..	Cr. 1,05,04,957
(iv)	Railway Deposit Investment Account .. .. .	..	..	..	..	Dr. 3,95,328
(v)	Companies' Railways Provident Fund Investment Account .. .. .	..	..	..	..	Dr. 1,53,01,173
(vi)	Indian Railway Conference Association Employees' Provident Fund Investment Account .. .. .	..	..	..	..	Dr. 7,55,389
Total ..						Dr. 55,62,431

Head (i) is operated upon as railway earnings are remitted into the Banks and Treasuries. The balance represents the unaccounted for remittances and the difference between the amount accounted for in the treasury accounts and the Railway books.

Head (ii). The balance consists of (a) three sums aggregating Rs. 1,50,726 wrongly adjusted against Railways by certain non-Railway Accounts Officers and (b) a sum of Rs. 96,648 which could not be adjusted under final heads in the Railway books in the accounts of 1940-41. All these amounts have since been readjusted.

The balance under head (iii) represents uncashed cheques of the railways at the end of March, 1941. A sum of Rs. 4,197 relating to this head was written off during the year on the Bengal Nagpur Railway by minus credit under Earnings.

Heads (iv), (v) and (vi) exhibit separately the investments made from the Railway deposits, the Companies' Railways Provident Fund in respect of the Bengal and North Western Railway and the Rohilkhand and Kumaon Railway and the Indian Railway Conference Association Employees' Provident Fund in Government and other securities.

Suspense Accounts (England) Dr. £ 4,647,557

160. The details are :—

I.—Account of the Secretary of State.

	Dr. £	Cr. £
(i) Discount on India Loans	4,386,955	..
(ii) Purchase of India Stock, Premium, etc.	86,123	..
(iii) Purchase of Railway Debenture Stock, etc.	118,245	..
(iv) Sterling Family Pension Funds (Transferred) .. .. .	..	22,931
(v) Bengal and North-Western Railway 5% Debenture Stock (State portion) Discount Sinking Fund .. .. .	..	53,885
(vi) Account with the Government of Burma .. .. .	..	14,837
(vii) Balances with Sub-Accountants	51,180	..
(viii) Account with the High Commissioner for India .. .. .	..	183
(ix) Miscellaneous	228	..
Total ..	4,642,731	91,836
Net Dr. ..	4,550,895	

Item (v) Bengal and North-Western Railway 5 % Debenture (State portion) Stock Discount Sinking Fund.—The balance represents the accumulated amount of sums charged against the Railway Revenue Account, together with interest paid from General Revenues on the accumulated balance, to provide for the redemption on maturity in November, 1945, of the discount on issue (£88,000) of the State portion of the Debenture Stock issued in 1925 and 1932.

Item (vi) Account with the Government of Burma.—This amount represents the balance of transactions in the accounts of the Secretary of State for India which are adjustable with Burma. The balance has been adjusted during 1941-42.

Item (vii) Balances with Sub-Accountants.—Represents fixed imprests and outstanding balances of advances given to Banks, Dominion Governments, etc., in respect of payments made or to be made by them on Indian accounts.

Item (viii) Account with the High Commissioner for India.—This account has been introduced as from 1st April, 1937 for the purpose of facilitating financial adjustments between the High Commissioner's Office and the India Office. Formerly, an account current was maintained, receipts and payments by one office on behalf of the other being adjusted against the lump sum transfers of cash made by the Secretary of State to finance the High Commissioner's requirements; but as a result of the new procedure for the accounting and adjustment of Home transactions, whereby the cash requirements of the High Commissioner are drawn directly from the Reserve Bank, revision of the system became necessary. It was accordingly decided, in agreement with the India Office, to deal with these transactions in the Suspense section through the medium of an account to be settled periodically in cash. The balance does not agree with the corresponding figure shown in the High Commissioner's books (£549). The discrepancy represents items in course of adjustment on 31st March, 1941. The balances have been cleared in 1941-42.

Item (ix) Miscellaneous.—The balance consists of sundry other items in course of adjustment.

High Commissioner.

Item (i) Balances with Sub-Accountants.—It represents balances formerly included in the cash balances, but which from the year 1934-35 have been transferred to a new sub-head under "Suspense."

Item (ii) Account with the Government of Burma.—It represents the amount due from the Government of Burma in respect of payments made initially from the accounts of the High Commissioner for India.

Item (iii) Passages.—It represents financial adjustments due from Shipping Companies which will be recovered in the year 1941-42.

Item (iv) Account with the Secretary of State.—See item (viii) above under *Secretary of State*.

Item (v) Miscellaneous.—It is the net result of miscellaneous debit and credit balances, and includes an unadjusted debit balance of £9,535 from advances made to the Union Government of South Africa on account of leave allowances and pensions of officers being paid in South Africa, for which adjustment has been effected in 1941-42.

Purchases and Sales of Silver Dr. Rs. 30,20,97,966

162. This head replaces the head “Gain or Loss on Revaluation, Sale, Transfer, etc., of Assets of the Paper Currency Reserve—Losses on Sales of Silver ” which was formerly used as a suspense head to accommodate the book losses arising out of sales of Currency Reserve Silver. The sum of the loss on sales of silver since the commencement of selling operations and the unadjusted balance under the suspense head “Sales of Silver ” was taken as the opening balance of this head on the 1st April, 1935. The equivalent of surplus sterling assets which lapsed to Government on the closing down of the Gold Standard Reserve, after allowing for Rs. 10 crores retained to constitute the Silver Redemption Reserve, was taken to the credit of this head in the accounts for 1935-36. The value of silver transferred for quaternary coinage and the net profit from the circulation of quaternary coins are also credited to this head. The outstanding debits are being gradually reduced by proceeds of silver sales and other receipts. Further debits to this head will consist mainly of (a) payments to the Reserve Bank for return of coin under Section 36 (1) of the Reserve Bank of India Act, except in so far as such payments are to be made in the form of sterling assets from the Silver Redemption Reserve ; (b) amount of standard silver rupees returned by the Reserve Bank in exchange of quaternary rupees ; and (c) incidental charges connected with silver sales including shipment of silver.

The following are the details of the balance :—

							Rs.
Central Revenues .. .. .	..	..	..	..	..	..	Dr. 33,34,40,418
Bombay .. .. .	..	..	..	..	..	..	Cr. 5,71,218
Bengal / .. .. .	..	..	..	..	..	..	Cr. 3,07,71,234
						Total ..	Dr. 30,20,97,966

Cheques and Bills Cr. Rs. 34,51,628

163. The following are the details :—

							Cr. Rs.
Pre-audit and Departmental Cheques, Central Revenues .. .. .	..	..	..	..	..	..	40,352
“ “ “ Supply Accounts, Civil .. .. .	..	..	..	..	..	..	29,96,760
“ “ “ Baluchistan .. .. .	..	..	..	..	..	..	17,732
“ “ “ Madras .. .. .	..	..	..	..	..	..	1,140
“ “ “ Bombay .. .. .	..	..	..	..	..	..	1,89,604
“ “ “ Bengal .. .. .	..	..	..	..	..	..	72,287
“ “ “ United Provinces .. .. .	..	..	..	..	..	..	10,879
“ “ “ Punjab .. .. .	..	..	..	..	..	..	13,442
“ “ “ Central Provinces and Berar .. .. .	..	..	..	..	..	..	1,854
“ “ “ Assam .. .. .	..	..	..	..	..	..	5
“ “ “ North-West Frontier Province .. .. .	..	..	..	..	..	..	1,646
“ “ “ Sind .. .. .	..	..	..	..	..	..	1,05,927
						Total ..	34,51,628

These balances represent the value of cheques issued but remaining unpaid on the 31st March, 1941. The balance under Central Revenues includes a debit of Rs. 3,572 which is under readjustment in 1941-42.

Dr. Rs. 2,42,22,030

Departmental and Similar Accounts

164. These are cash balances in the hands of several disbursing officers of different departments. These do not form part of the general cash balance of Government.

Civil Departmental Balances—

	Dr.	Dr.
	Rs.	Rs.
	63,597	
Central Revenues	352	
Baluchistan	4,74,678	
Madras	13,49,530	
Bombay	6,77,706	
Bengal	18,652	
United Provinces	2,31,397	
Punjab	62,612	
North-West Frontier Province	360	
Orissa	87	
Coorg		28,78,971

1,61,02,584

Posts and Telegraphs Cash Balances

Defence Cash Balances—

Northern Command	4,58,877	
Military Accounts and Pensions, Lahore	2,62,942	
Southern Command	1,66,142	
Eastern Command	2,28,462	
Royal Air Force	3,002	
Naval Accounts	50,045	
		1,80,658

State Railway Cash Balances—

Revenue Account	49,97,002	
Capital Account	62,815	50,59,817

Total

2,42,22,030

Civil Departmental Balances **Dr. Rs. 28,78,971**

165. The details are :—

								Dr. Rs.
Public Works	..	..	..	..	..	..	..	5,108
Salt and Customs	..	..	..	..	..	..	..	8,42,896
Mint	..	..	..	..	..	..	..	16,41,319
Other Departments	..	..	..	..	..	..	..	3,90,148
						Total	..	28,78,971

The balance against Central Revenues includes credit balances aggregating Rs. 5,330 which are under settlement. There is a small difference of 10 annas between the ledger balance and broadsheet in Central Revenues. It is under settlement.

Posts and Telegraphs Cash Balances **Dr. Rs. 1,61,02,584**

166. The balances represent cash and stamps in the hands of Postmasters and cash in the hands of other disbursing officers of the department on the 31st March, 1941. The balances have been verified with separate cash balance certificates received from the Postmasters, Telegraph Masters, etc., except in two cases which are under correspondence.

Defence Cash Balances **Dr. Rs. 1,80,658**

167. These are made up of (i) debit balances representing the actual cash balance on 31st March, 1941 in the hands of disbursing officers of the department and (ii) credit balances representing the amounts due to Officers Commanding Units and Formations on account of balances of pay and allowances due to British soldiers.

State Railway Cash Balances **Dr. Rs. 50,59,817**

168. An imprest of Rs. 200 on the Eastern Bengal Railway could not be verified on the 31st March, 1941. Three imprests of the aggregate value of Rs. 155 were placed under suspense on surrender by certain departmental officers on the North Western Railway. This discrepancy has since been cleared.

Transactions connected with War, 1939 **Cr. Rs. 284**

169. The balance represents credits on account of recovery from the widows and dependents of deceased seamen of advances originally made from the Shipping Masters' Personal Ledger Accounts pending transfer to these accounts. The balance has been cleared in 1941-42.

PART V.—MISCELLANEOUS.

170. The details are :—

India	Dr. Rs.	398
England	Dr. £	52,381

The debit balance in India represents the amount of the contribution money recoverable from the Bikaner Durbar towards its share of expenditure on the Sutlej Valley Project. The amount has since been recovered.

The balance in England is accounted for by the—

	Dr.	Cr.
	£	£
Secretary of State .. .. .	..	6,241
High Commissioner	58,622	..
	<hr/>	
Total ..	58,622	6,241
	<hr/>	
Net Dr.	52,381	

The credit balance in the books of the Secretary of State includes a sum of £4,222 on account of British Income Tax collected at the India Office not paid over to H.M. Imperial Government by 31st March, 1941, but adjusted in 1941-42. The debit balance of £58,622 shown against High Commissioner is the net result of various credit and debit items including a debit balance of £85,107 under the head "Direct Indian Purchases." This debit balance is due to the fact that owing to conditions arising from the War, remittances from India were not received until after the 31st March, 1941. The balance has been adjusted in 1941-42.

SECTION Q.—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT

Dr. Rs. 1,40,08,11,164

171. This section is sub-divided into the following divisions:—

						Rs.
Advances to Provincial Governments	..	..	..	..	..	1,20,56,55,588
Advances to Crown Representative	..	..	..	..	..	21,59,154
Loans to Indian States	..	..	..	..	..	10,21,50,390
Loans to Local Funds, etc.	..	..	..	..	..	9,06,41,352
Loans to Government servants	..	..	..	..	..	2,04,680
Total	..	..	..	..	..	1,40,08,11,164

Advances to Provincial Governments

Dr. Rs. 1,20,56,55,588

172. The debit balance under this head represents the outstanding liability in respect of the loans granted by the Central Government to the Provincial Governments and to the Coorg Administration. It includes the balances of the liabilities of the Provincial Governments to the Provincial Loans Fund on the 31st March, 1937 which were not cancelled under the scheme for the decentralisation of balances and the cancellation and consolidation of debt on the introduction of Provincial Autonomy.

The amounts of the balances of loans outstanding against the Governments concerned are given below:—

							Rs.
Madras	..	..	..	..	..	..	7,32,33,434
Bombay	..	..	..	..	..	..	30,51,79,902
United Provinces	..	..	..	..	..	..	25,29,16,327
Punjab	..	..	..	..	..	..	26,29,16,473
Bihar	..	..	..	..	..	..	26,90,121
Central Provinces and Berar	..	..	..	..	..	..	3,20,19,353
Sind	..	..	..	..	..	..	27,64,58,257
Coorg	..	..	..	..	..	..	2,41,721
Total	..	..	..	..	..	..	1,20,56,55,588

The entire balance shown against Bihar and a sum of Rs. 56,16,794 included in the balance against the United Provinces represent the balance of the advances granted by the Central Government during 1940-41 for the rehabilitation of sugar industry in these provinces.

Advances to Crown Representative

Dr. Rs. 21,59,154

173. The balance represents the outstanding liability in respect of the advances made by the Central Government to the Crown Representative for loans to Indian States, Notabilities, etc. The following are the details of the balance:—

		Central Revenues.	Bombay.	Bengal.	Assam.	Sind.	Total.
(1)		(2) Rs.	(3) Rs.	(4) Rs.	(5) Rs.	(6) Rs.	(7) Rs.
Loans to Indian States	..	7,31,194	5,34,334	..	5,561	..	12,71,089
Loans to Notabilities	..	44,700	..	..	..	4,136	48,836
Other Advances	..	..	..	8,39,229	..	..	8,39,229
Total	..	7,75,894	5,34,334	8,39,229	5,561	4,136	21,59,154

The balances on the books of the Accountant General, Central Revenues, consist of amounts outstanding against the Bhopal State (Rs. 5,00,000), the Shahpura State in Rajputana (Rs. 2,22,500), the Chiefship of Lawa (Rs. 8,694) and Mirza Khairuddin of the Delhi Family (Rs. 44,700). A petty balance of interest in case of Shahpura State was paid early in 1941-42.

The balance of Rs. 5,34,334 in the Bombay books represents advances made by the Central Government to the Crown Representative for loans to certain Indian States in the Western India States Agency.

The balance of Rs. 8,39,229 under 'Other Advances' in Bengal represents the amount of loans granted to the Eastern States Joint Police Fund and is sub-divided into the following two detailed heads:—

								Rs.
Recurring	..	..	..	..	..	..	Dr.	5,17,333
Capital	..	..	..	..	..	..	Dr.	3,21,896
							Total.	8,39,229

The loan for recurring expenditure is free of interest while that for capital expenditure bears interest. The entire amount advanced during 1939-40 on account of recurring loan has been recovered in 1941-42. The recovery of principal in respect of the 'Capital' portion of the loan will commence after the loan has been finally declared as closed. The balances in respect of the loans have not yet been accepted by the authorities concerned.

The balance under 'Loans to Indian States' in Assam represents loan granted to the Siem of Nonstoin by the Crown Representative.

The sum of Rs. 4,136 in Sind represents the balance outstanding on 31st March, 1941 out of the advance of Rs. 6,000 made to Mir Khudayar Khan, son of His Highness Mir Abdul Hussain Khan Talpur.

Loans to Indian States Dr. Rs. 10,21,50,390

174. It represents (i) the balance of loans made by the Central Government to Indian States prior to 1st April, 1937, and (ii) loans to Indian States subsequent to that date in pursuance of direct arrangement with the States—in most cases a business one. The following are the details:—

								Rs.
Central Revenues	..	..	..	..	..	..		8,18,523
Madras	..	..	..	..	..	..		21,62,007
Bombay	..	..	..	..	..	..		18,395
Bengal	..	..	..	..	..	..		5,75,444
Punjab	..	..	..	..	..	..		9,83,66,021
North-West Frontier Province	..	..	..	..	..	..		2,10,000
							Total	10,21,50,390

The balance on the books of the Accountant General, Central Revenues, consists of outstandings against the Bundi and the Tonk States.

The balance on the books of the Accountant General, Madras, represents the amount of loan advanced to the Cochin Government in connection with its harbour works.

The balance on the Bombay books is composed of outstandings against various States.

The balance in Bengal represents the balance of the loan to the Tripura State.

The balance in the Punjab represents the balance of the loan due from the Bahawalpur State in connection with the State portion of the Sutlej Valley Project and the balance of Account Current transactions. As under the terms of the agreement it is not possible for the Bahawalpur Durbar to verify the balance of the loan on account of the Sutlej Valley Project at the end of each year, the Auditor General has dispensed with the annual certificate of acceptance by the Durbar.

The balance in the North-West Frontier Province represents loans outstanding against two Indian States. These loans are free of interest.

Loans to Local Funds, etc. Dr. Rs. 9,06,41,352

175. The following are the details:—

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Central Revenues.	Baluchis- tan.	Madras.	Bombay.	Bengal.	Bihar.	North- West Frontier Province.	Coorg.	Railways.	Total.
Loans to Major Port Trusts and Port Funds.	Rs. ..	Rs. ..	Rs. 1,53,73,606	Rs. 4,27,88,017	Rs. 53,40,264	Rs. ..	Rs. ..	Rs. ..	Rs. ..	Rs. 6,35,01,887
Loans to Municipalities ..	61,45,852	5,48,000	..	..	..	..	..	..	..	66,93,852
Loans to District and other Local Fund Committees.	72,69,000	..	..	..	..	3,93,652	..	..	..	76,62,652
Loans to Landholders and other Notabilities.	..	48,104	..	..	..	..	..	..	..	48,104
Loans to Railway Com- panies.	..	..	..	..	..	..	..	..	20,10,000	20,10,000
Advances to Cultivators ..	15,72,287	4,49,228	..	..	..	..	65,437	5,22,179	..	20,10,131
Advances under Special Laws.	37,58,278	..	..	..	..	..	..	..	..	37,58,278
Miscellaneous Loans and Advances.	40,76,832	4,277	..	..	..	1,87,339	88,000	..	..	43,56,448
Total ..	2,28,22,249	10,49,609	1,53,73,606	4,27,88,017	53,40,264	5,80,991	1,53,437	5,23,179	20,10,000	9,06,41,352

Loans to Major Port Trusts and Port Funds .. Dr. Rs. 6,35,01,887

176. The balances are composed of the following:—

Madras.

						Rs.
(i) Madras Port Trust	95,77,112
(ii) Cochin Port Fund	57,96,494

Bombay.

(iii) Bombay Port Trust	4,27,88,017
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Bengal.

(iv) Chittagong Port Fund	53,40,264
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Total	..					6,35,01,887
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Item (ii) represents the balance of loans due from the Cochin Landing and Shipping Dues Fund which has been amalgamated with the Cochin Port Fund. In respect of an interest-free loan of Rs. 3 lakhs included under this item, no repayment has been made, as the terms of repayment have not yet been settled

Loans to Municipalities Dr. Rs. 66,93,852

177. The balance under this head is made up of Rs. 8,531, Rs. 5,05,548, Rs. 56,31,773 and Rs. 5,48,000 being the balances of loans granted to Ajmer, Delhi New Delhi and Quetta Municipalities respectively.

Loans to District and other Local Fund

Committees Dr. Rs. 76,62,652

178. The balance of Rs. 72,69,000 under Central Revenues, is made up of Rs. 33,000 and Rs. 72,36,000 representing the balances of loans to the Notified Area Committee, Shahdara and the Delhi Improvement Trust, respectively. The remaining balance of Rs. 3,93,652 relates to Bihar and represents the aggregate balance of the three loans granted to the Ranchi European Mental Hospital.

Loans to Landholders and other Notabilities .. Dr. Rs. 48,104

179. The entire balance relates to loans granted to three chiefs in Baluchistan.

Loans to Railway Companies Dr. Rs. 20,10,000

180. The balance under this head represents an advance to the Bombay, Baroda and Central India Railway Company originally made from the assets of the Company's Provident Fund. Since 1917, when the assets and liabilities of the Company's Railway Provident Fund were taken over by Government, it has virtually become a loan from Government to the Company.

Advances to Cultivators **Dr.** **Rs.** **26,10,131**

181. The balances under this head represent outstandings on account of advances made under the Land Improvement Act and the Agriculturists' Loans Act and loans under the Co-operative Societies Act. The detailed accounts of these loans are maintained by District and Revenue Authorities who are also responsible for watching the recoveries of principal and interest. The verification of these balances, therefore, consists chiefly in agreeing the ledger balances with the aggregate of the balances worked out in the broadsheets kept in the Civil Accounts offices; the latter being reconciled with the administrative balances certified by the District or other responsible officers concerned. Acceptance certificates are still awaited in the case of Baluchistan and Central India and Port Blair under Central Revenues. Rs. 770 in the Andamans. Rs. 95 in Central India and Rs. 946 in Baluchistan were written off. It has been reported by the local Administration that the progress of repayments of loans in Coorg under Agriculturists' Loans and Land Improvement Acts during the year under report was not quite satisfactory as only a little over 33 per cent. of the demand was collected before the close of the financial year. This demand, however, included a considerable amount of accumulated arrears. Postponements were granted in deserving cases while coercive steps were taken against defaulters for the recovery of the outstandings.

Advances under Special Laws **Dr.** **Rs.** **37,58,278**

182. The balance under this head is made up of Rs. 36,26,969 being the amount recoverable from the Delhi Joint Water Board and Rs. 1,31,309 on account of advances made to the Istimrardars of Ajmer. As famine was prevailing in Ajmer-Merwar until September, 1940, repayments of advances to the Istimrardars of Ajmer were not regularly made during 1940-41.

Miscellaneous Loans and Advances **Dr.** **Rs.** **43,56,448**

183. The balance on the books of the Accountant General, Central Revenues, is made up partly of the balance of loans granted to the New Delhi Gymkhana Club, the Young Women's Christian Association, the Roman Catholic Church, New Delhi, Beawar Central Co-operative Bank and Delhi Central Electric Power Authority, Limited, and partly of the balance of the amount representing the cost of munitions supplied to the Tibetan Government during 1933, which has been treated as a loan free of interest and repayable in annual instalments of Rs. 1 lakh commencing from 1934-35. The conditions of the loans have been fulfilled in all cases except in case of loan to the Roman Catholic Church, New Delhi, where the delay in the annual payment was condoned by the Governor General in Council and in the case of the Beawar Central Co-operative Bank, Limited, in which case the repayment of principal during the year was postponed under the orders of the Central Government. The balance under Central Revenues also includes the balance of loans granted to the miners at Khewra for building houses. The balance in Bihar represents the loan granted to the Rescue Station Committee, Dhanbad, to enable it to meet the initial expenditure in connection with the establishment of the Rescue Stations. The balance in North-West Frontier Province represents (i) the loan of Rs. 60,000 granted in 1939-40 to the Post Fund, Wana, and (ii) the loan of Rs. 28,000 granted during the year under report to the Post Fund, Razmak, for constructing bazars at Wana and Razmak respectively. The loan to the Post Fund, Wana bears interest at 4 per cent. and is repayable in ten equated instalments of principal and interest.

The repayment of the first instalment of principal and interest was due in February, 1941, but it was actually made in April, 1941. The delay was condoned by the Central Government. The loan to the Post Fund, Razmak, is repayable in five annual equated instalments of principal and interest commencing from 1941-42. It bears interest at $4\frac{1}{2}$ per cent.

Loans to Government servants Dr. Rs. 2,04,680

184. This sum represents the balance of temporary advances granted to Central Government servants for house-building, purchase of motor cars and similar purposes at prescribed rates of interest. The distribution between Civil and Non-civil is as follows:—

						Rs.
						Dr.
Civil Department Advances	..	..	..	..	..	48,531
Non-civil Department Advances	..	..	..	..	..	1,56,149
				Total	..	2,04,680

Loans to Government Servants—

Civil Department Advances

Dr. Rs. 48,531

185. The following are the details:—

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Central Reve- nues.	Supply Ac- counts.	Balu- chistan.	Mad- ras.	Bom- bay.	Ben- gal.	United Pro- vinces.	Punjab.	Bihar.	Central Pro- vinces and Berar.	Assam.	North- West Frontier Pro- vince.	Sind.	Coorg.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
House-building Advances ..	7,316	539	992	2,962	373	8,621	6,808	7,029	915	1,245	3,175	664	440	692	41,771
Advances for the purchase of motor cars ..	170	..	..	..	..	..	(a) —166	..	..	..	..	..	..	..	4
Passage Advances	4,187	..	..	..	..	1,439	..	..	..	..	..	..	..	..	5,626
Other Advances	1,130	..	..	..	..	..	..	..	..	..	..	..	..	..	1,130
Total ..	12,803	539	992	2,962	373	10,060	6,642	7,029	915	1,245	3,175	664	440	692	48,531

(a) The credit balance is due to the recovery from an officer of the Provincial Government who has been temporarily transferred under Central Government, having been erroneously accounted for in the Central portion of the accounts instead of Provincial. The balance has been cleared in 1941-42.

186. Under Motor Car advance in Central Revenues there is a discrepancy of Rs. 182 between the ledger and broadsheet balances. The discrepancy is under adjustment. Acceptance certificate is awaited in one case. Under Passage Advance under Central Revenues, acceptance certificates are awaited in two cases.

Loans to Government Servants—

Non-civil Department Advances Dr. Rs. 1,56,149

187. The following are the details :—

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Non-civil Departments.	House-building Advances.	Motor Car Advances.	Advances for the purchase of other conveyances.	Passage Advances.	Other Advances.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Posts and Telegraphs ..	45,244	—192	3	1,777	533	47,365
Defence—						
Northern Command ..	9,457	..	..	..	..	9,457
Military Accounts and Pensions, Lahore ..	5,871	40	..	315	..	6,226
Southern Command ..	155	..	..	200	..	355
Eastern Command ..	1,039	..	30	..	..	1,069
Royal Air Force ..	1,131	..	..	..	..	1,131
Army Factory Accounts ..	1,227	39	..	..	..	1,266
Naval Accounts ..	306	..	..	..	..	306
Field Controller of Military Accounts, Poona ..	1,595	..	..	156	..	1,751
Supply Accounts—Defence ..	..	—39	..	..	..	—39
Total—Defence ..	20,781	40	30	671	..	21,522
Railways—Revenue Account	43,714	241	..	43,307	..	87,262
GRAND TOTAL ..	1,09,739	89	33	45,755	533	1,56,149

188. **Posts and Telegraphs.**—Acceptance certificates are still awaited in two cases for “House-building Advances”, one case for “Passage Advance” and two cases under “Other Advances”. Of the two cases under House-building Advances, the certificate of acceptance could not be obtained in one case due to the death and in the other due to the dismissal of the Government servants concerned. Proper action has, however, been taken to recover the dues in both the cases. The credit balance of Rs. 192 under “Motor Car Advances” is under investigation.

Defence.—*House-building advances.*—Acknowledgments for the balances are awaited in three cases, in two of which the individuals concerned are serving overseas. In one case, the individual concerned died leaving a balance of Rs. 280-8-0 including interest. This amount has since been realised from his legal heir and adjusted in the accounts for 1941-42.

Railways.—The acceptance of the balances is wanting in one case each on the East Indian, the Madras and Southern Mahratta and the Great Indian Peninsula Railways. A sum of Rs. 254 including interest (Rs. 21) on account of outstanding house-building advance was written-off during the year on the Bengal-Nagpur Railway.

SECTION S.—REMITTANCES	INDIA	Cr. Rs.	2,90,24,744
	ENGLAND	Dr. £	9,112,484

189. This head consists of :—

(1)	India.		England.
	Cr. Rs. (2)	Dr. Rs. (3)	Dr. £ (4)
I.—Within India—			
Money Orders	1,20,72,679	..	..
Cash Remittances and Adjustments between Officers rendering accounts to the same Accountant General or Comptroller .. .. .	..	2,15,38,424	..
Remittances by Bills .. .. .	..	12,049	..
Reserve Bank of India Remittances	8,71,000	..	..
Remittances adjusted on the Central Books .. .. .	..	982	..
Adjusting Account between Central and Provincial Governments .. .. .	..	3,51,671	..
Adjusting Account with Railways .. .. .	..	51,824	..
Account with Provinces, etc. .. .. .	..	3,48,589	..
Accounts between Departments	3,84,03,842	..	..
II.—Between England and India—			
Remittance Account between England and India .. .. .	..	19,238	9,112,484
Total	5,13,47,521	2,23,22,777	9,112,484
Net	Cr. Rs. 2,90,24,744	Dr. 9,112,484	

Money Orders Cr. Rs. 1,20,72,679

190. The balance under this head represents the difference between the receipts and payments in respect of Inland Money Order issues of the years 1939-40 and 1940-41. The accounting process is not, however, complete unless the ledger balance has been reconciled with the actual amount of unpaid money orders picked out from the lists of money orders issued. In practice, there are always some differences between the two sets of accounts due to errors in the various stages of work done in Post Offices and the Audit Offices. As these differences represent the extent to which accounting methods fall short of an absolute standard of efficiency, they are reported annually to the Auditor General of India to enable him to judge the efficiency of audit in this field. The amount of unexplained difference at the end of 1940-41 in respect of Money Orders issued in the year 1938-39 reported to the Auditor General, was Rs. 12,818.

192. This head comprises two different kinds of transactions, one being remittances in actual cash between treasuries and departments rendering accounts to the same Account Office; each separate remittance of this kind is watched through a remittance register. The other class of transactions are purely book adjustments made within the accounts of the same Account Office, which are watched through separate registers maintained for the purpose.

193. The debit balance under 'Mint Remittances' in Bengal is due to erroneous adjustments which have been set right in 1941-42 and that in Bombay represents mainly the debits on account of the value of silver issued from the surplus silver stock of the Bombay Mint for quaternary coinage and the outturn value of uncurrent silver coins transferred to the surplus silver stock account of the Bombay Mint in March, 1941 for which corresponding credits were received in 1941-42. The credit balance under "Public Works Remittances" in Baluchistan includes a sum of Rs. 8,105 relating to the head "Public Works Cheques" which differs from the balance shown in the separate register by Rs. 114. The difference is under settlement.

194. The head *Baluchistan Suspense*, which appears on the books of Central Revenues and Baluchistan, is a running account of transactions originating in the accounts of Central Revenues on account of Baluchistan and in the accounts of Baluchistan on account of Central Revenues. The balance represents the balance of transactions between the accounts of Central Revenues and Baluchistan which could not be adjusted completely in the year under report.

The head *Coorg Suspense* represents similar transactions between Coorg and Madras in the books of the Accountant General, Madras.

195. The balance under *Posts and Telegraphs Remittances* is composed of—

(1) Transfers between Postal and Telegraph Officers within the jurisdiction of the same Audit Office	Rs.	Dr.	4,37,645
(2) Transfers between Postal and Telegraph Officers within the jurisdiction of other Audit Offices	Rs.	Dr.	5,22,813
Total	Rs.	Dr.	9,60,458

Remittances by Bills Dr. Rs. 12,949

196. The details are :—

(Credits +, Debits—)								
(1)	(2) Central Revenues.	(3) Bombay.	(4) Bengal.	(5) Punjab.	(6) Assam.	(7) Orissa.	(8) Sind.	(9) Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Supply Bills, Local .. .. .	..	.. :	...	+57	..	..	..	+57
Foreign Supply Bills	—1,000	..	..	..	..	..	—15,578	—16,578
Remittance Transfer Receipts, Local .. .. .	..	+819	..	..	..	..	..	+819
Foreign Remittance Transfer Receipts	+34	+57	+3,474	+719	+150	+125	..	+4,559
Burma Remittance Transfer Receipts and Supply Bills	+57	—5	+20	—1,170	..	..	+192	—906
Total	—909	+871	+3,494	—394	+150	+125	—15,386	—12,049

197. Prior to the introduction of the procedure detailed in paragraph 198 below, with effect from the 1st October, 1940, the amounts received on issue of bills, etc., were credited to this head and the amounts paid upon them were debited to it. This head, therefore, ordinarily showed a credit balance equal to the amount of bills outstanding. The issue of Supply Bills and Remittance Transfer Receipts has been discontinued from 1st October, 1940.

The debit balances in Central Revenues and the Punjab were due to errors in adjustments since rectified in 1941-42, while that in Sind was due to non-receipt of credits from the Punjab.

Reserve Bank of India Remittances **Cr. Rs. 8,71,000**

198. A scheme was introduced by the Reserve Bank of India with effect from 1st October, 1940 to standardise and extend remittance facilities throughout India and Burma. At places where the Reserve Bank has no offices of its own or is not represented by offices or branches of the Imperial Bank, the issue and payment of telegraphic transfers and drafts on Reserve Bank account is undertaken by Government treasuries and sub-treasuries as "Treasury Agencies" of the Bank. Receipts and payments taking place in treasuries on this account are accounted for under this head, and are initially carried against Government balances until cleared with the Bank through daily advices of drawings and encashments. The debits and credits booked under this head are ultimately cleared by corresponding adjustments under the head "Reserve Bank Deposits".

The details of the balance by circles of account are as under :—

	Dr. Rs.	Cr. Rs.
Central Revenues .. .. .	..	21,797
Bombay .. .. .	..	2,472
Punjab .. .. .	..	8,000
Assam	180	
North-West Frontier Province .. .. .	..	8,38,911
	180	8,71,180
	Net Cr. Rs. 8,71,000	

In Central Revenues and Bombay, the outstanding balances were due to late receipt of treasury schedules and in other cases, mainly to erroneous adjustments. The balances have all been cleared in 1941-42.

Remittances adjusted on the Central Books (Central

Adjusting Account for 1940-41)	Dr. Rs.	1,503
	Cr. Rs.	521

199. The above balances will be adjusted in the accounts for 1941-42.

Adjusting Account between Central and Provincial Governments

.. Dr. Rs. 3,51,671

200. The transactions between the Central and the Provincial Governments are settled by the correction of their respective balances through the Reserve Bank of India. Until this correction is effected, the transactions are kept in the books of the originating Account Circle under the head *Adjusting Account between Central and Provincial Governments*. The above balance represents the outstanding amount for which monetary settlement could not be carried out in the Reserve Bank's account for the year 1940-41.

201. The details of the balance by circles of Account are given below :—

(Credits +, Debits—.)														
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Central Revenues.	Supply Accounts Civil.	Madras.	Bombay.	Bengal.	United Provinces.	Punjab.	Bihar.	Central Provinces and Berar.	Assam.	North-West Frontier Province.	Orissa.	Sind.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Adjusting Account between Central Revenues and Supply Accounts, Civil ..	..	+997	..	..	..	..	..	..	..	..	..	..	..	+99
Do. Madras ..	—4,844	..	—15,736	..	..	..	..	..	..	..	..	..	..	—20,580
Do. Bombay ..	—3,162	..	..	—1,82,456	..	..	..	..	..	..	..	..	..	—1,85,618
Do. Bengal ..	—12,188	..	..	..	—15,800	..	..	..	..	..	..	..	..	—27,988
Do. United Provinces ..	—54,979	..	..	..	..	—1,36,668	..	..	..	..	..	..	..	—1,91,647
Do. Punjab ..	+2,658	..	..	..	..	..	+91,813	..	..	..	..	..	..	+94,471
Do. Bihar ..	—6,338	..	..	..	..	..	..	—5,671	..	..	..	..	..	—12,009
Do. Central Provinces and Berar ..	—1,297	..	..	..	..	..	..	..	—5,140	..	..	..	..	—6,437
Do. Assam ..	—30	..	..	..	..	..	..	..	..	+16,549	..	..	..	+16,519
Do. North-West Frontier Province ..	+406	..	..	..	..	..	..	..	..	..	—5,029	..	..	—4,623
Do. Orissa ..	—209	..	..	..	..	..	..	..	..	..	..	—8,699	..	—8,908
Do. Sind ..	—517	..	..	..	..	..	..	..	..	..	..	..	—5,331	—5,848
Total ..	—80,500	+997	—15,736	—1,82,456	—15,800	—1,36,668	+91,813	—5,671	—5,140	+16,549	—5,029	—8,699	—5,331	—3,51,671

The balances have been adjusted in the accounts for 1941-42, except in Bombay where a credit of Rs. 150 is under investigation.

Adjusting Account with Railways	Dr. Rs. 51,824
Account with Provinces, etc.	Dr. Rs. 3,48,589

202. Owing to the *pro forma* separation of the balances of Railways from the balances of the Central Government from 1st April, 1939, all transactions with or on behalf of Railways arising in the accounts of the Central (non-Railway) and Provincial Governments are adjusted with the Reserve Bank against the balance of the *pro forma* Railway Fund. These two major heads have been opened for the initial adjustment of transactions with Railways. The former head is operated upon by all Civil Accountants General, while the latter head is used by the Railway Accounts officers concerned in connection with the transactions originating in the Railway accounts which are adjustable against the balances of the Central and the Provincial Governments. The above balances represent the outstanding amounts for which monetary settlement could not be carried out in the Reserve Bank's accounts for 1940-41.

203. The balance under the head "Adjusting Account with Railways" consists of—

- (1) Rs. 34 (credit) on the books of the Controller of Supply Accounts (Civil) and
- (2) Rs. 51,858 (debit) on the books of the Accountant General, Central Revenues.

The balance outstanding under the head "Account with Provinces, etc." viz., Rs. 3,48,589 was on the books of the South Indian Railway (Rs. 17,624 credit) and North Western Railway (Rs. 3,66,213 debit).

The balance under "Adjusting Account with Railways" has been cleared and that under the head "Accounts with Provinces, etc." is being cleared in 1941-42.

Accounts between Departments	Dr. Rs. 12,84,848
	Cr. Rs. 3,96,88,690

204. The balances recorded under this head differ in kind from those reviewed in the previous paragraphs, as they represent balances between two of the sets of accounts in respect of the amount by which one set of accounts could not take up the debits and credits passed on to it by the other. As balances, therefore, they do not exist elsewhere than upon the Central books, for each local Account Officer writes off each year the amounts which he passes on to another. The following are the separate ledger balances under this account :—

	Dr. Rs.	Cr. Rs.
Accounts between Civil and Civil .. ..	..	1,27,94,578
Exchange Accounts between Defence Accounts Officers (including Navy)	6,38,880	..
Exchange Accounts between Posts and Telegraphs and Defence Services (including Navy)	67,469	..
Exchange Accounts between Civil and Posts and Telegraphs .. ..	..	11,83,481
Exchange Accounts between Civil and Defence Services (including Navy)	..	2,51,32,132
Total ..	7,06,349	3,91,10,191
Net Cr. ..	Rs. 3,84,03,842	

205. The net credit of Rs. 3,84,03,842 is composed of—						Dr.	Cr.
						Rs.	Rs.
Cheques and Remittance	Transfer Receipts	..	..	..	..	3,92,573	2,80,58,631
Miscellaneous Items	..	..	..	..	..	8,92,275	1,16,35,059
Total						12,84,848	3,96,88,690
Net Cr.						Rs. 3,84,03,842	

206. The debits under *Cheques and Remittance Transfer Receipts* are on account of payments made on cheques during 1940-41 for which corresponding credits were not afforded till the following year, while the credits under the head represent the amount of cheques and transfer receipts issued in 1940-41 but not paid during the year. The outstandings under *Miscellaneous Items* have been mostly adjusted in the accounts for 1941-42 with the exception of a few disputed claims. The adjustment of these items is expected to be included in the accounts for 1941-42. The progress of adjustment has been generally satisfactory. The outstandings are subjected to a careful scrutiny in the office of the Auditor General of India and steps are taken to adjust them as expeditiously as possible.

Remittance Account between England and India.—						Dr.	Dr.
Secretary of State—						Rs.	£.
Items Adjustable in England	..	..	..	..	..		9,111,786
High Commissioner for India—							
Items Adjustable in England	..	..	..	..	..		698
Items Adjustable in India	..	..	..	..	..	19,238	
Total						19,238	9,112,484

207. It comprises transactions, mainly of a miscellaneous character, passed on from England to India or *vice versa*, for adjustment in the accounts of the other and represents the net balance in respect of the amounts by which each set of accounts could not take up the debits and credits passed on by the other. The outstanding amount is normally an asset or liability to Government.

SECTION T.—TRANSFER OF CASH BETWEEN ENGLAND AND INDIA.

India	Dr. Rs. 2,00,00,000
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208. Cash remittances from India to England and *vice versa* of funds belonging to India are made through the Reserve Bank of India. These remittances are brought to account under this head.

The balance represents the rupee equivalent of £1,500,000 refunded by the Secretary of State to the Reserve Bank of India between the 29th and 31st March, 1941 against which the opposite payment in India was adjusted by the Bank on the 1st April, 1941.

SECTION V.—CASH BALANCE	INDIA	Rs. 13,76,56,261
	ENGLAND	£ 683,978

209. The Cash Balances in India were distributed as follows :—

Province.					Cash in District Treasuries.	At credit of Government with the Reserve Bank of India and its branches.
					Rs.	Rs.
India General	..	..	..	..	9,52,050	13,56,57,637
Baluchistan	..	..	..	..	2,08,284	..
Bombay	..	..	..	..	3,13,574	..
Bihar	..	..	..	..	57,100	..
Central Provinces and Berar	..	..	..	..	2,82,400	..
Assam	..	..	..	..	87,916	..
North-West Frontier Province	..	..	..	..	76,383	..
Orissa	..	..	..	..	—1,00,800	..
Coorg	..	..	..	..	1,21,717	..
					19,98,624	13,56,57,637
Total					Rs. 13,76,56,261	

The *minus* balance shown against Orissa represents the amount of remittance in transit at the end of the year.

Under “India General” there was a credit balance of Rs. 21,117 against Iran due to overdrafts during 1940-41, which have since been regularised.

210. The figures under Cash in District Treasuries in some Provinces include the amount of remittances in transit at the close of the year. The treasury balances have all been agreed with the cash balance reports for March, 1941 except in the case of Iran and Bushire under India General and Central Provinces and Berar. There was a small difference of 5 pies in Bushire in the calculation of rials converted into rupees. No cash balance report was received in the case of Iran. The balance against Central Provinces and Berar, which represents remittance in transit, was more than the corresponding figure shown in the cash balance report for March, 1941 by Rs. 12,000. The discrepancy has been cleared in 1941-42. The cash balance of the Central Government in India with the Reserve Bank of India at the end of 1940-41 including the balance of the Railway Fund created *pro forma* stood at Rs. 13,56,57,637 against Rs. 13,56,39,006 reported by the Bank. The difference has been settled in the accounts for 1941-42.

211. The balance against India General includes a sum of Rs. 65,378 being the closing balance under the head “Foreign Remittances” outstanding on the 31st March, 1941. Out of this a sum of Rs. 61,778 has been cleared and the balance of Rs. 3,600 will be cleared before the close of the year 1941-42.

212. The cash balances in England were distributed as follows :—

Secretary of State—					£
Cash in hand or at the Bank of England	..	..	..	..	692,602
High Commissioner for India—					
Cash at the Reserve Bank of India and in the hands of the Cashier	..	..	..	..	—8,624
Total					683,978

B.—DEBT, DEPOSITS AND REMITTANCE ACCOUNTS.

PART II—ACCOUNTS.

No. 1.—SUMMARY OF RECEIPTS AND DISBURSEMENTS BY MAJOR HEADS.

Heads of Receipts.	Actuals for 1940-41.	Heads of Disbursements.	Actuals for 1940-41.
1	2	3	4
	Rs.		Rs.
N.—Public Debt incurred—		N.—Public Debt discharged—	
A.—Debt raised in India—		Debt raised in India—	
Permanent Debt ..	(a) 1,43,39,73,676	Permanent Debt ..	19,54,24,315
Floating Debt ..	2,94,08,75,000	Floating Debt ..	2,63,89,00,000
B.—Debt raised in England—		Debt raised in England—	
Permanent Debt ..	..	Permanent Debt ..	95,29,67,563
Total	4,37,48,48,676	Total	3,78,72,91,878
O.—Unfunded Debt—		O.—Unfunded Debt—	
Deposits of Service Funds ..	25,28,185	Special Loans ..	4,570
Post Office Savings Bank Deposits	26,27,67,582	Deposits of Service Funds ..	34,72,802
Post Office Certificates ..	7,30,17,354	Post Office Savings Bank Deposits ..	45,08,70,533
State Provident Funds ..	9,72,22,699	Post Office Certificates ..	15,04,62,718
Other Accounts ..	1,29,09,511	State Provident Funds ..	6,90,40,538
Total	44,84,45,331	Other Accounts ..	84,78,135
P.—Deposits and Advances—		P.—Deposits and Advances—	
Part I.—Deposits bearing Interest—		Part I.—Deposits bearing Interest—	
(A) Reserve Funds—		(A) Reserve Funds—	
Depreciation Reserve Fund—		Depreciation Reserve Fund—	
Railways ..	12,64,13,889	Railways ..	7,18,83,379
Railway Reserve Fund ..	6,31,32,953	Railway Reserve Fund ..	85,27,15
Renewals Reserve Fund—		Renewals Reserve Fund—	
Posts and Telegraphs ..	23,05,000	Posts and Telegraphs ..	26,40,302
Renewals Reserve Fund—		Renewals Reserve Fund—	
Northern India Salt and Central Excises Department ..	1,50,046	Northern India Salt and Central Excises Department ..	1,03,670
Depreciation Reserve Fund—		Depreciation Reserve Fund—	
Lighthouses and Lightships ..	1,22,796	Lighthouses and Lightships ..	..
General Reserve Fund—		General Reserve Fund—	
Lighthouses and Lightships ..	82,663	Lighthouses and Lightships ..	19,681
Part II.—Deposits not bearing Interest—		Part II.—Deposits not bearing Interest—	
(A) Sinking Funds—		(A) Sinking Funds—	
Appropriation for Reduction or Avoidance of Debt—		Appropriation for Reduction or Avoidance of Debt—	
Sinking Funds ..	95,04,000	Sinking Funds ..	..
Other Appropriations	2,04,96,000		

(a) Excludes figures on account of conversion of non-terminable loans.

No. 1.—SUMMARY OF RECEIPTS AND DISBURSEMENTS BY MAJOR HEADS—*contd.*

Heads of Receipts.	Actuals for 1940-41.	Heads of Disbursements.	Actuals for 1940-41.
1	2	3	4
	Rs.		Rs.
P.—Deposits and Advances—<i>contd.</i>		P.—Deposits and Advances—<i>contd.</i>	
Part II.—Deposits not bearing Interest— <i>contd.</i>		Part II.—Deposits not bearing Interest— <i>contd.</i>	
(B) Reserve Funds—		(B) Reserve Funds—	
Silver Redemption Reserve—		Silver Redemption Reserve—	
Silver Redemption Reserve	36,71,148	Silver Redemption Reserve	36,71,148
Silver Redemption Reserve Investment Account ..	6,83,912	Silver Redemption Reserve Investment Account ..	6,83,053
Civil Aviation Fund ..	3,62,600	Civil Aviation Fund ..	4,02,735
Central Road Fund ..	1,64,04,011	Central Road Fund ..	1,86,56,208
Sugar Excise Fund ..	9,94,000	Sugar Excise Fund ..	14,13,362
General Police Fund ..	15,712	General Police Fund ..	28,466
Fund for Economic Development and Improvement of Rural Areas ..	..	Fund for Economic Development and Improvement of Rural Areas ..	23,11,937
Fund for Development of Civil Aviation ..	25,00,000	Fund for Development of Civil Aviation ..	14,41,570
Fund for Special Frontier Expenditure including Development ..	15,01,870	Fund for Special Frontier Expenditure including Development ..	2,17,930
Fund for Development of Broadcasting ..	..	Fund for Development of Broadcasting ..	3,12,695
Depreciation Reserve Fund—		Depreciation Reserve Fund—	
Government Presses ..	1,22,385	Government Presses ..	47,426
Telephone Development Fund	4,75,00,000	Telephone Development Fund	4,94,38,823
Revenue Reserve Fund ..	..	Revenue Reserve Fund ..	7,77,16,233
Panth Piploda Reserve Fund	14,998	Panth Piploda Reserve Fund	14,938
Renewals Reserve Fund—Dairy Farms ..	43,543		
Renewals Reserve Fund—Grass Farms ..	—43,543		
(C) Other Deposit Accounts—		(C) Other Deposit Accounts—	
Deposits of Local Funds ..	1,73,08,306	Deposits of Local Funds ..	1,77,23,390
Deposits of Branch Line Companies ..	1,32,196	Deposits of Branch Line Companies ..	1,94,552

No. 1.—SUMMARY OF RECEIPTS AND DISBURSEMENTS BY MAJOR HEADS—*concl.*

Heds of Receipts.	Actuals for 1940-41.	Heds of Disbursements.	Actuals for 1940-41.
1	2	3	4
	Rs.		Rs.
P.—Deposits and Advances—<i>concl.</i>		P.—Deposits and Advances—<i>concl.</i>	
Part II.—Deposits not bearing Interest— <i>concl.</i>		Part II.—Deposits not bearing Interest— <i>concl.</i>	
Departmental and Judicial Deposits—		Departmental and Judicial Deposits—	
Civil Deposits ..	39,25,11,289	Civil Deposits ..	39,08,09,052
Other Deposits ..	24,37,54,776	Other Deposits ..	23,34,96,724
Transactions connected with War, 1939 ..	30,30,967	Transactions connected with War, 1939 ..	35,390
Other Accounts ..	25,23,267	Other Accounts ..	21,10,918
Balance of Coorg ..	42,886		
Part III.—Advances not bearing Interest—		Part III.—Advances not bearing Interest—	
Advances Repayable ..	6,67,85,807	Advances Repayable ..	7,45,58,141
Permanent Advances ..	15,401	Permanent Advances ..	76,908
Accounts with Foreign Governments and Indian States ..	4,30,50,192	Accounts with Foreign Governments and Indian States ..	4,44,47,243
Accounts with the Government of Burma	98,96,087	Accounts with the Government of Burma .. ..	..
Accounts with the Reserve Bank	97,432	Accounts with the Reserve Bank	2,40,155
Accounts with His Majesty's Imperial Government ..	1,04,697	Accounts with His Majesty's Imperial Government ..	58,166
Coinage Account	2,31,71,011	Coinage Account	8,41,78,845
Part IV.—Suspense—		Part IV.—Suspense—	
Suspense Accounts	11,84,93,954	Suspense Accounts	36,53,97,785
Purchases and Sales of Silver ..	19,99,51,002	Purchases and Sales of Silver ..	7,13,45,047
Cheques and Bills	1,09,470	Cheques and Bills	58,70,749
Departmental and similar Accounts	10,93,689	Departmental and similar Accounts	31,12,531
Transactions connected with War, 1939	284		
Part V.—Miscellaneous—		Part V.—Miscellaneous—	
Miscellaneous	2,78,74,741	Miscellaneous	2,86,68,047
Total ..	1,44,59,25,442	Total ..	1,56,18,54,714
Q.—Loans and Advances by the Central Government—		Q.—Loans and Advances by the Central Government—	
Advances to Provincial Governments	2,26,06,829	Advances to Provincial Governments	1,03,41,141
Advances to Crown Representative	1,12,972	Advances to Crown Representative	15,58,271
Loans to Government of Coorg ..	1,20,860		
Loans to Indian States ..	70,77,072	Loans to Indian States ..	35,41,724
Loans to Local Funds, etc. ..	31,01,656	Loans to Local Funds, etc. ..	24,809
Loans to Government Servants ..	5,66,238	Loans to Government Servants ..	
Total ..	3,35,85,627	Total ..	1,54,65,945

No. 1.—SUMMARY OF RECEIPTS AND DISBURSEMENTS BY MAJOR HEADS—*contd.*

Heads of Receipts.	Actuals for 1940-41. 2 Rs.	Heads of Disbursements. 3	Actuals for 1940-41. 4 Rs.
S.—Remittances—		S.—Remittances—	
I.—Remittances within India—		I.—Remittances within India—	89,09,93,295
Money Orders Cash Remittances and Adjust- ments between officers rend- ering accounts to the same Accountant General or Comptroller Remittances by Bills Remittances adjusted on the Central books	89,27,80,915	Money Orders Cash Remittances and Adjust- ments between officers rend- ering accounts to the same Accountant General or Comptroller Remittances by Bills Remittances adjusted on the Central books Reserve Bank of India— Remittances Accounts between Civil and Civil Exchange Accounts between Military Accounts Officers Exchange Accounts between Posts and Telegraphs and Defence Services Exchange Accounts between Civil and Posts and Tele- graphs Other Remittances Exchange Accounts between Civil and Defence Services	2,42,03,058 12,97,850 859 —8,71,000 36,19,24,778 5,11,524 1,14,51,21,916
Accounts between Civil and Civil Exchange Accounts between Military Accounts Officers Exchange Accounts between Posts and Telegraphs and Defence Services Exchange Accounts between Civil and Posts and Tele- graphs Other Remittances Exchange Accounts between Civil and Defence Services	49,36,080 —6,38,880 —76,320 36,25,33,190 1,16,71,24,591	II.—Remittances between Eng- land and India— Remittance Account between England and India— Accounts with the Secretary of State Accounts with the High Com- missioner	—8,71,000 36,19,24,778 5,11,524 1,14,51,21,916 1,78,37,83,676 9,74,69,549 4,30,44,35,505
Total	4,16,34,12,331	Total	4,30,44,35,505
T.—Transfer of cash between Eng- land and India Total Receipt under Debt, Deposits, etc. heads Total Revenue as per Account No. 2 of Part A	75,62,55,085 11,22,24,72,492 1,45,12,68,235	T.—Transfer of cash between England and India Total Disbursements under Debts, Deposits, etc. heads Total Expenditure as per Account No. 2 of Part A	75,59,21,752 11,10,72,99,090 1,58,58,71,088 12,69,31,70,178
Total Revenue and Receipts ..	12,67,37,40,727	Total Disbursements ..	12,69,31,70,178
V.—Opening Balance—		V.—Closing Balance—	
In India—		In India—	
Cash in District Treasuries Cash with Reserve Bank of India	20,68,933 15,66,48,542	Cash in District Treasuries Cash with Reserve Bank of India	19,98,624 13,56,57,637
In England—		In England—	
Secretary of State High Commissioner for India	72,28,760 2,59,183	Secretary of State High Commissioner for India	92,34,687 —1,14,981
Total	16,62,05,418	Total	14,67,75,967
GRAND TOTAL	12,83,99,46,145	GRAND TOTAL	12,83,99,46,145

No. 2.—STATEMENT SHOWING CAPITAL AND OTHER EXPENDITURE (OUTSIDE THE REVENUE ACCOUNT) TO END OF THE YEAR AND THE PRINCIPAL SOURCES FROM WHICH FUNDS WERE PROVIDED FOR THAT EXPENDITURE.

1	On 31st March, 1940. 2	On 31st March, 1941. 3	Increase (+) Decrease (—) in the year end- ing 31st March, 1941. 4
	Rs.	Rs.	Rs.
Capital and other Expenditure—			
1.—Capital Expenditure—			
Commercial Departments—			
Railways	(a) 7,58,61,55,390	7,60,92,87,297	+ 2,31,31,907
Posts and Telegraphs	(b) 19,76,69,517	24,56,05,944	+ 4,79,36,427
Irrigation	1,72,03,874	1,72,36,007	+ 32,133
Other Commercial Departments and undertakings	(c) 6,04,62,477	6,08,85,194	+ 4,22,717
Total Commercial Departments ..	7,86,14,91,258	7,93,30,14,442	+ 7,15,23,184
Other Departments—			
New Capital at Delhi	15,86,72,274	15,99,93,598	+ 13,21,324
Other Accounts	14,53,37,116	14,37,54,791	— 15,82,325
Total Other Departments	30,40,09,390	30,37,48,389	— 2,61,001
Total Capital Expenditure	8,16,55,00,648	8,23,67,62,831	+ 7,12,62,183
2.—India's Financial Contribution to the Great War, 1914-18.. .. .	1,50,00,00,000	1,50,00,00,000	..
3.—Loans and Advances—			
Advances to Provincial Governments ..	1,21,76,79,555	1,20,54,13,867	— 1,22,65,688
Advances to the Government of Coorg ..	3,62,581	2,41,721	— 1,20,860
Advances to Crown Representative ..	7,13,855	21,59,154	+ 14,45,299
Advances to Indian States, Local Bodies, etc.	(e) 20,01,74,854	19,29,96,422	— 71,78,432
Total Loans and Advances	(e) 1,41,89,30,845	1,40,08,11,164	— 1,81,19,681
Total Capital and Other Expenditure ..	11,08,44,31,493	11,13,75,73,995	+ 5,31,42,502
4.—Deduct—Contribution from Revenue for Capital Expenditure	(d)—18,78,15,922	— 18,97,55,195	— 10,39,273
ACCOUNT			
Net Capital and other Expenditure outside the Revenue Account	10,89,66,15,571	10,94,78,18,800	+ 5,12,03,229

(a) Difference of Rs. 2 is due to corrections since made in the total figures.

(b) The figure adopted in the Finance Accounts for 1939-40 has been decreased by Rs. 11,206 on account of rectification of misclassification in previous years affecting Capital and Revenue heads.

(c) Previous recorded outlay of Capital Outlay on Salt Works to end of 1939-40 has been reduced by a sum of Rs. 1,799 on account of corrections in the list of assets.

(d) The figures adopted in the Finance Accounts for 1939-40 have been decreased by Rs. 880 in the case of Posts and Telegraphs and Rs. 1,799 in the case of Salt Works on account of corrections since made in the total figures.

(e) Differs from last year's closing balance by reason of correction since made.

No. 2.—STATEMENT SHOWING CAPITAL AND OTHER EXPENDITURE (OUTSIDE THE REVENUE ACCOUNT) TO END OF THE YEAR AND THE PRINCIPAL SOURCES FROM WHICH FUNDS WERE PROVIDED FOR THAT EXPENDITURE—*concl'd.*

1	On 31st March, 1940. 2	On 31st March, 1941. 3	Increase (+) Decrease (—) in the year ending 31st March, 1941. 4
Principal Sources of Funds—	Rs.	Rs.	Rs.
1.—Capital contributed by Railway Companies and Indian States	28,89,11,325	28,89,11,325	..
2.—Debt—			
Permanent Debt—			
In India—Nominal Value	4,50,80,60,816	5,77,35,79,177	+ 1,26,55,18,361
Less—unredeemed discount	— 9,01,80,294	— 8,35,70,730	+ 66,09,564
In England—Nominal value (sterling converted into Rs. at £1=Rs. 13½) ..	4,39,10,44,583	3,41,11,08,020	— 97,99,36,563
Less—Unredeemed discount	— 6,31,19,914	— 5,84,92,733	+ 46,27,181
Less—Difference between 7 per cent. stock exchanged for 3 per cent. in 1921-24 and 3 per cent. stock issued in exchange	— 8,36,52,413	— 8,36,52,413	..
Floating Debt	54,70,50,000	84,90,25,000	+ 30,19,75,000
Unfunded Debt—			
Post Office Savings Bank Deposits ..	78,32,13,993	59,51,11,042	— 18,81,02,951
Post Office Certificates	57,02,89,948	49,28,44,584	— 7,74,45,364
State Provident Funds, etc.	91,00,24,568	93,93,55,296	+ 2,93,30,728
Total Debt	11,47,27,31,287	11,83,53,07,243	+ 36,25,75,956
3.—Sinking Funds and Reserve Funds ..	73,77,50,690	77,32,30,685	+ 3,54,79,995
4.—Net balance under Deposits, Advances, etc., other than those shown separately ..	— 36,48,82,961	— 21,57,38,995	+ 14,91,43,966
5.—Remittances	4,85,48,132	— 9,24,75,042	— 14,10,23,174
Total Debt and other obligations ..	12,18,30,58,473	12,58,92,35,216	+ 40,61,76,743
Deduct—Cash Balance	— 16,62,05,418	— 14,67,75,967	+ 1,94,29,451
Deduct—Investments	— 25,02,39,192	— 58,84,36,475	— 33,81,97,283
Net provision of Funds	11,76,66,13,863	11,85,40,22,774	+ 8,74,08,911

No. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR.

Description of Debt.	Amount on 1st April, 1940.	Additions during the year.	Discharges during the year.	Amount on 31st March, 1941.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
I.—Public Debt—				
A.—Debt raised in India—				
(a) Permanent Debt—				
(i) Loans bearing interest—				
5 per cent. Loan, 1942-47 ..	4,31,00,000	6,03,00,000	..	10,34,00,000
5 per cent. Loan, 1945-55 ..	56,74,93,800	..	..	56,74,93,800
4½ per cent. Loan, for Indore State Railway ..	70,00,000	..	..	70,00,000
4½ per cent. Loan, 1950-55 ..	2,86,00,000	33,81,11,279	..	37,25,03,279
(a) 57,92,000				
4½ per cent. Loan, 1958-68 ..	1,39,00,000	13,74,85,843	..	15,64,12,843
(a) 50,27,000				
4½ per cent. Loan, 1955-60 ..	9,05,69,700	..	..	9,05,69,700
4 per cent. Loan, 1960-70 ..	63,30,26,300	..	..	63,30,26,300
4 per cent. Loan, 1948-53 ..	1,03,00,000	10,56,72,167	..	11,97,90,167
(a) 38,18,000				
4 per cent. Loan, from Maharaja Scindia for State Railway ..	1,50,00,000	..	..	1,50,00,000
4 per cent. Bonds, 1943 ..	14,97,17,700	..	..	14,97,17,700
3½ per cent. Loan, 1947-50 ..	55,94,36,900	..	..	55,94,36,900
3½ per cent. Loan, 1842-43 ..	32,01,56,550	2,71,64,600 (b)	17,24,600 (b)	34,68,75,550
(a) 12,79,000				
3½ per cent. Loan, 1854-55 ..	20,57,66,991	4,73,400 (b)	15,55,077 (b)	20,46,85,314

(a) Represents addition made without financial adjustment in connection with the scheme of repatriation of sterling debt.

(b) Includes additions and discharges due to conversion of non-terminable loans and commutation of Amamoti stock certificates.

NO. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt.	Amount on 1st April, 1940.	Additions during the year.	Discharges during the year.	Amount on 31st March, 1941.
1	2 Rs.	3 Rs.	4 Rs.	5 Rs.
I.—Public Debt—<i>contd.</i>				
A.—Debt raised in India—<i>contd.</i>				
(a) Permanent Debt—<i>contd.</i>				
(i) Loans bearing Interest—<i>concl'd.</i>				
3½ per cent. Loan, 1865	38,62,60,200	2,38,41,600 (b)	6,30,400 (b)	40,94,71,400
3½ per cent. Loan, 1879	2,72,49,000	55,500 (b)	1,80,900 (b)	2,71,23,600
3½ per cent. Loan, 1900-01 ..	38,31,12,200	99,33,700 (b)	25,14,300 (b)	39,06,57,600
(a) 1,26,000				
3½ per cent. Loan, 1954-59 ..	20,00,000	9,80,28,753	..	10,85,83,753
(a) 85,55,000				
3 per cent. Loan, 1896-97 ..	6,16,08,300	3,10,00,000	21,85,000 (b)	9,12,56,300
(a) 8,33,000				
3 per cent. Loan, 1951-54 ..	15,12,85,300	..	..	15,12,85,300
3 per cent. Loans, 1963-65 ..	42,03,30,000	..	..	42,03,30,000
3 per cent. Bonds, 1941	10,67,31,700	..	..	10,67,31,700
3 per cent. Loan, 1949-52 ..	55,00,000	9,80,35,813	..	10,50,74,813
(a) 15,39,000				
3 per cent. Defence Loan, 1949-52 ..	..	3,75,37,700	..	3,75,37,700
3 per cent. Defence Bonds, 1946 ..	..	45,14,31,100	..	45,14,31,100
2½ per cent. Loan, 1948-52 ..	12,01,28,000	..	..	12,01,28,000
(ii) Loans not bearing Interest—				
6½ per cent. Treas- ury Bonds, 1935	5,35,700	..	81,300	4,54,400

(a) Represents addition made without financial adjustment in connection with the scheme of repatriation of sterling debt.

(b) Includes additions and discharges due to conversion of non-terminable loans and cancellation of unclaimed securities.

No. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt. 1	Amount on 1st April, 1940. 2 Rs.	Additions during the year. 3 Rs.	Discharges during the year. 4 Rs.	Amount on 31st March, 1941. 5 Rs.
I.—Public Debt—<i>contd.</i>				
A.—Debt raised in India—<i>contd.</i>				
(a) Permanent Debt—<i>contd.</i>				
(ii) Loans not bearing Interest—<i>concl.</i>				
6 per cent. Bonds, 1932	83,000	..	28,700	54,300
6 per cent. Bonds, 1931	25,300	..	4,000	21,300
6 per cent. Bonds, 1930	3,63,100	..	60,100	3,03,000
6 per cent. Bonds, 1927	1,43,100	..	7,300	1,35,800
6 per cent. Bonds, 1926	91,500	..	10,300	81,200
6 per cent. Bonds, 1933-36	1,65,800	..	5,900	1,59,900
5½ per cent. War Bonds, 1928 ..	1,28,550	..	13,850	1,14,700
5½ per cent. Bonds, 1925	14,975	..	1,000	13,975
5½ per cent. War Bonds, 1920 ..	2,49,900	..	2,49,900 (a)	..
5½ per cent. War Bonds, 1921. ..	2,43,025	..	2,625	2,40,400
5½ per cent. War Bonds, 1922 ..	1,72,300	..	2,825	1,69,475
5½ per cent. War Bonds, 1923 ..	46,375	..	50	46,325
5½ per cent. Loan, 1938-40	7,26,700	..	5,22,400	2,04,300
5 per cent. Bonds, 1933	1,59,700	..	10,000	1,49,700
5 per cent. Bonds, 1935	47,000	..	15,500	31,500
5 per cent. Loan, 1940-43	19,39,82,800	..	19,29,79,600	10,03,200
5 per cent. War Loan, 1929-47 ..	3,60,550	..	96,975	2,63,575
5 per cent. Loan, 1939-44	17,43,500	..	9,92,400	7,51,100
4½ per cent. Bonds, 1934	1,98,300	..	3,300	1,95,000
4 per cent. Termin- able Loan of 1915- 16	18,100	..	..	18,100
4 per cent. conver- sion Loan of 1916- 17	29,800	..	4,400	25,400
4 per cent. Loan, 1934-37	2,59,100	..	300	2,58,800

(a) Includes Rs. 2,49,325 as nominal value of securities cancelled and written off to revenue.

FINANCE ACCOUNTS. CENTRAL GOVERNMENT.

No. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt. 1	Amount on 1st April, 1940. 2 Rs.	Additions during the year. 3 Rs.	Discharges during the year. 4 Rs.	Amount on 31st March, 1941. 5 Rs.
I.—Public Debt—<i>contd.</i>				
A.—Debt raised in India—<i>concl.</i>				
(a) Permanent Debt—<i>concl.</i>				
(iii) Interest Free Loans—				
Three year Interest- Free Defence Bonds .. ..	..	2,33,71,021	10,113	2,33,60,908
(b) Floating Debt—				
Treasury Bills ..	54,70,50,000	2,42,08,75,000	2,27,89,00,000	68,90,25,000
Temporary Loans from the Reserve Bank of India ..	..	52,00,00,000	36,00,00,000	16,00,00,000
B.—Debt raised in England—				
Permanent Debt—				
(i) Loans bearing Interest—				
India 5 per cent. Stock, 1942-47 ..	7,52,94,847	..	6,02,90,667	1,50,04,180
India 4½ per cent. Stock, 1950-55 ..	(b) 49,01,03,726	}	..	34,01,48,782
(a) —57,92,000				
India 4½ per cent. Stock, 1958-68 ..	21,94,33,333	}	..	13,75,00,510
(a) —50,27,000				
India 4 per cent. Stock, 1948-53 ..	14,11,00,000	}	..	10,55,33,533
(a) —38,18,000				
India 3½ per cent. Stock, 1931 or after	1,09,92,33,459	}	..	4,83,00,000
(a) —14,05,000				
India 3½ per cent. Stock, 1954-59 ..	13,13,33,333	}	..	9,74,83,419
(a) —85,55,000				
India 3 per cent. Stock, 1948 or after	(b) 97,42,89,136	}	..	3,10,00,000
(a) —8,33,000				

(a) Represents deductions from the sterling loan during the year 1940-41 in connection with the repatriation of sterling debt without financial adjustment.

(b) Differs from last year's closing balance by reason of corrections since made...

NO. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt.	Amount on 1st April, 1940.	Additions during the year.	Discharges during the year.	Amount on 31st March, 1941.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
I.—Public Debt—<i>contd.</i>				
B.—Debt raised in England—<i>contd.</i>				
Permanent Debt—<i>contd.</i>				
(i) Loans bearing Interest—<i>concl'd.</i>				
India 3 per cent. Stock, 1949-52 ..	(b) 12,11,66,667	}	9,71,22,480	2,25,05,187
	(a) —15,39,000			
India 2½ per cent. Stock, 1926 or after	15,38,66,485	..	65,80,000	14,72,86,485
Burma Railway 3 per cent. Debenture Stock ..	1,66,66,667	..	..	1,66,66,667
East Indian Railway 4½ per cent. Irredeemable Debenture Stock ..	1,91,42,000	..	..	1,91,42,000
East Indian Railway 3 per cent. New Debenture Stock ..	10,66,66,667	..	..	10,66,66,667
East Indian Railway 3½ per cent. Debenture Stock ..	9,33,33,333	..	..	9,33,33,333
Eastern Bengal Railway 4 per cent. Irredeemable Debenture Stock ..	46,48,880	..	..	46,48,880
Great Indian Peninsula Railway 4 per cent. Irredeemable Debenture Stock ..	3,60,19,333	..	..	3,60,19,333
Great Indian Peninsula Railway 3½ per cent. Debenture Stock ..	4,66,66,667	..	..	4,66,66,667
South Indian Railway 4½ per cent. Perpetual Debenture Stock ..	56,66,667	..	..	56,66,667
(ii) Capital portion of Annuities created in purchase of Railways—				
East Indian Railway Annuity terminating 14th February, 1953	(b) 15,41,12,883	..	87,37,421	14,53,75,462
Eastern Bengal Railway Annuity terminating 30th July, 1957	1,99,68,034	..	7,96,828	1,91,71,206
Great Indian Peninsula Railway Annuity terminating 17th August, 1948 ..	(b) 12,86,16,905	..	1,33,42,357	11,52,74,548

(a) Represents deduction from sterling loan during the year 1940-41 in connection with the repatriation of sterling debt without financial adjustment.

(b) Differs from last year's closing balance by reason of corrections since made.

NO. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt.	Amount on 1st April, 1940.	Additions during the year.	Discharges during the year.	Amount on 31st March, 1941.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
I.—Public Debt.—<i>concl.</i>				
B.—Debt raised in England.—<i>concl.</i>				
Permanent Debt.—<i>concl.</i>				
(ii) Capital portion of Annuities created in purchase of Railways— <i>concl.</i>				
Madras Railway Annuity terminating 1st April, 1956 ..	(a) 8,10,20,405	..	36,98,100	7,73,22,305
Scinde Punjab and Delhi Railway Annuity terminating 1st January, 1959 ..	(a) 6,64,33,118	..	24,33,466	6,39,99,652
(iii) Discharge of Liability in respect of British War Loan (1929-47) ..	(a) 20,62,25,705	..	..	20,62,25,705
(iv) Loans not bearing Interest—				
India 5½ per cent. Stock, 1932 ..	(a) 21,000	..	..	24,000
India 6 per cent. Bonds, 1932 ..	6,000	..	..	6,000
India 6 per cent. Bonds, 1933 ..	1,333	..	..	1,333
Total Public Debt ..	9,44,61,55,399	4,38,33,17,476	3,79,57,60,678	10,03,37,12,197
II.—Unfunded Debt—				
Special Loans ..	1,45,38,456	..	4,570	1,45,33,886
Treasury Notes ..	71,619	..	..	71,619
Deposits of Service Funds—				
Indian Civil Service Family Pension Funds (a) 1,36,33,102		7,06,082	7,07,094	1,36,32,090
Indian Military Service Family Pension Fund (a) 2,28,79,124		9,87,060	17,28,146	2,21,38,038
Indian Military Widows' and Orphans' Fund .. (a) 23,02,845		2,03,951	77,245	24,29,551
Madras Military Assistant Surgeon's Fund (a) 4,25,315		15,195	15,601	4,24,909
Bengal Uncovenanted Service Family Pension Fund .. (a) 45,93,674		3,05,811	6,45,500	42,53,985

(a) Differs from last year's closing balance by reason of corrections since made.

NO. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*contd.*

Description of Debt.	Amount on 1st April, 1940. 2 Rs.	Additions during the year. 3 Rs.	Discharges during the year. 4 Rs.	Amount on 31st March, 1941. 5 Rs.
1	2	3	4	5
II.—Unfunded Debt—<i>contd.</i>				
Deposits of Service Funds—<i>concl'd.</i>				
Bengal and Madras Service Family Pension Fund ..	(a) 17,00,930	76,441	58,216	17,19,164
Bombay Family Pension Fund of Government Servants ..	29,58,857	2,33,645	2,41,000	29,51,502
Post Office Savings Bank Deposits ..	78,32,13,993	26,27,67,582	45,08,70,533	59,51,11,042
Post Office Cash Certificates	57,02,89,948	4,89,01,694	14,93,04,058	46,98,87,584
Post office Ten year Defence Savings Certificates .. ..	..	2,41,15,660	11,58,660	2,29,57,000
State Provident Funds—				
State Railway Provident Institution ..	(a) 37,56,27,399	4,24,38,887	3,33,13,104	38,47,53,182
Companies' Railways Provident Fund ..	(a) 26,47,97,363	3,12,60,269	2,31,98,721	27,28,58,911
General Provident Fund	(a) 8,98,29,510	1,56,48,039	1,07,61,156	9,47,16,443
Indian Civil Service Provident Fund ..	(a) 19,32,192	5,97,407	2,27,390	23,02,209
Indian Civil Service (Non-European Members) Provident Fund	39,008	39,732	2,312	76,428
Defence Savings Provident Fund .. ..	..	23,34,831	5,396	23,29,435
Defence Savings Provident Fund (Railways) .. ..	..	2,40,376	5,319	2,35,057
Defence Services Officers' Provident Fund (a)	33,10,133	14,33,050	2,73,475	44,69,708
Indian Ordnance Department Provident Fund	(a) 67,19,855	9,78,276	3,93,394	73,04,737
Military Engineering Services Provident Fund	43,954	10,016	..	53,970
Contributory Provident Funds	(a) 50,29,619	8,99,985	5,26,169	54,03,435
Other Miscellaneous Provident Funds ..	(a) 48,37,894	13,41,781	3,34,102	58,45,573

(a) Differs from last year's closing balance by reason of corrections since made.

No. 3.—STATEMENT OF DEBT AND OTHER INTEREST BEARING OBLIGATIONS SHOWING THE ADDITIONS TO, AND DISCHARGES OF DEBT, ETC., DURING THE YEAR, AND THE AMOUNT OF DEBT, ETC., AT THE COMMENCEMENT AND CLOSE OF THE YEAR—*concl'd.*

Description of Debt. 1	Amount on 1st April, 1940. 2 Rs.	Additions during the year. 3 Rs.	Discharges during the year. 4 Rs.	Amount on 31st March, 1941. 5 Rs.
II.—Unfunded Debt— <i>concl'd.</i>				
Other Accounts—				
General Family Pension Fund	11,794	13,928	15,000	10,722
Hindu Family Annuity Fund	(a) 90,818	3,15,323	2,93,379	1,12,762
Bombay Family Pension Fund of Government Servants, Life Assurance Branch	(a) 63,254	9,232	54,250	18,236
Bengal Christian Family Pension Fund ..	4,986	25,475	26,460	4,001
Postal Insurance and Life Annuity Fund	(a) 8,98,98,178	1,15,24,569	70,76,483	9,43,46,264
Staff Benefit Fund ..	(a) 8,46,481	9,15,498	9,94,324	7,67,655
Cemetery Endowment Fund	(a) 7,74,050	14,313	15	7,88,348
Indian Railway Conference Association Employees' Provident Fund ..	7,30,527	91,173	18,224	8,03,476
Total Unfunded Debt	(b) 2,26,11,94,887	44,84,45,331	68,23,29,296	2,02,73,10,922
TOTAL DEBT AND OTHER INTEREST BEARING OBLIGATIONS	11,70,73,50,286	4,83,17,62,807	4,47,80,89,974	12,06,10,23,119

(a) Differs from last year's closing balance by reason of corrections since made.

(b) Excludes Rs. 23,33,624 on account of the balance under Superior Services (India) Family Pension Fund written off to Government Account.

NO. 4.—STATEMENT OF LOANS AND ADVANCES SHOWING THE AMOUNTS ADVANCED AND REPAID, INTEREST RECEIVED DURING THE YEAR AND THE BALANCES OF SUCH LOANS AND ADVANCES AT THE COMMENCEMENT AND CLOSE OF THE YEAR.

Major Heads and Minor Heads.	1	Balance on 1st April, 1940.	2	Amount advanced during the year.	3	Total.	4	Amount re- paid during the year.	5	Balance on 31st March, 1941.	6	Interest received and credited to Revenue.	7
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Advances to Provincial Governments—													
Madras	7,38,46,419	..	..	7,38,46,419	..	6,12,985	..	7,32,33,434	..	33,16,269	..
Bombay	31,17,41,520	..	..	31,17,41,520	..	65,01,618	..	30,51,79,902	..	1,45,07,194	..
United Provinces	24,96,57,587(a)	70,72,696	..	25,67,30,283	..	38,13,956	..	25,29,16,327	..	99,62,957	..
Punjab	26,44,69,915	..	..	26,44,69,915	..	15,53,442	..	26,29,16,473	..	1,00,63,416	..
Bihar	32,68,445	..	32,68,445	..	5,78,324	..	26,90,121	..	28,480	..
Central Provinces and Berar	3,22,87,363	..	..	3,22,87,363	..	2,68,010	..	3,20,19,353	..	14,49,950	..
Sind	28,56,76,751(a)	..	..	28,56,76,751	..	92,18,494	..	27,64,58,257	..	1,30,28,428	..
Coorg	3,62,581(a)	..	..	3,62,581	..	1,20,860	..	2,41,721	..	13,882	..
Total	1,21,80,42,136	1,03,41,111	..	1,22,83,53,277	..	2,27,27,689	..	1,20,56,55,588	..	5,23,70,576	..
Advances to Crown Representative	7,13,855	15,58,271	..	22,72,126	..	1,12,972	..	21,59,154	..	12,384	..
Loans to Indian States	10,92,27,462	..	..	10,92,27,462	..	70,77,072	..	10,21,50,390	..	3,04,338	..
Loans to Local Funds—													
Loans to Major Port Trusts and Port Funds	6,47,87,023(a)	10,50,000	..	6,58,37,023	..	23,35,136	..	6,35,01,887	..	27,66,929	..

Loans to Municipalities	..	..	65,57,456(a)	3,74,000	69,31,456	2,37,604	66,93,852	2,58,855
Loans to District and other Local Fund Committees	..	..	69,86,531	7,23,000	77,09,531	46,879	76,62,652	2,46,873
Loans to Landholders and other Notabilities	..	..	56,190	..	56,190	8,086	48,104	5,178
Loans to Railway Companies	..	..	20,10,000	..	20,10,000	..	20,10,000	80,400
Advances to Cultivators	..	..	23,85,245(a)	4,01,716	27,86,961	1,76,830	26,10,131	42,194
Advances under Special Laws	..	..	34,43,732	3,65,000	38,08,732	50,454	37,58,278	1,66,452
Miscellaneous Loans and Advances	..	..	39,75,107(a)	6,28,008	46,03,115	2,46,667	43,56,448	1,69,571
Total	..	..	9,02,01,284	35,41,724	9,37,43,008	31,01,656	9,06,41,352	37,36,452
Loans to Government Servants—								
House building advances	..	..	4,76,165(a)	..	4,76,165	3,24,655	1,51,510	67,907
Advances for the purchase of motor cars	..	..	2,05,242(a)	—3,600	2,01,642	2,01,549	93	52,762
Advances for the purchase of other conveyances	..	..	1,837(a)	..	1,837	1,804	33	573
Passage advances	..	..	62,865(a)	26,596	89,461	38,080	51,381	1,818
Other advances	..	..	..	1,813	1,813	150	1,663	..
Total	..	..	7,46,109	24,809	7,70,918	5,66,238	2,04,680	1,23,060
GRAND TOTAL	..	..	1,41,89,30,846	1,54,65,945	1,43,43,96,791	3,35,85,627	1,40,08,11,164	5,65,46,810

(a) Differs from last year's closing balance by reason of corrections since made.

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